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Deductible Donations made by Individual Australian Taxpayers in 2004-05(with
special section on the 2004 tsunami)

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**An Examination of Tax–
Deductible Donations MADE
BY INDIVIDUAL AUSTRALIAN
TAXPAYERS IN 2004-05
(WITH SPECIAL SECTION ON THE 2004 TSUNAMI)**

Working Paper No. CPNS 37

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The Australian Centre for Philanthropy and Nonprofit Studies (CPNS)

is a specialist research and teaching unit at the

Queensland University of Technology in Brisbane, Australia.

It seeks to promote the understanding of philanthropy and nonprofit issues by drawing upon academics from many disciplines and working closely with nonprofit, practitioners, intermediaries and government departments. CPNS's mission is "to bring to the community the benefits of teaching, research, technology and service relevant to philanthropic and nonprofit communities".

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1.0 EXECUTIVE SUMMARY

1.1 Overview of the Research

Each year, QUT's The Australian Centre for Philanthropy and Nonprofit Studies (CPNS) collects and analyses statistics on the amount and extent of tax-deductible donations made and claimed by Australians in their individual income tax returns to deductible gift recipients (DGRs). The information presented below is based on the amount and type of tax-deductible donations made and claimed by Australian individual taxpayers to DGRs for the period 1 July 2004 to 30 June 2005.

This information has been extracted mainly from the Australian Taxation Office's (ATO) publication *Taxation Statistics 2004-05*. The 2005 report is the latest report that has been made publicly available. It represents information in tax returns for the 2004-05 year processed by the ATO as at 31 October 2006.

This study uses information based on published ATO material and represents only the extent of tax-deductible donations made and claimed by Australian taxpayers to DGRs at Item D9 Gifts or Donations in their individual income tax returns for the 2005 income year. The data does not include corporate taxpayers. Expenses such as raffles, sponsorships, fundraising purchases (e.g., sweets, tea towels, special events) or volunteering are generally not deductible as 'gifts'. The Giving Australia Report estimated 2005 year total giving at \$11 Billion including this wider definition of giving, but excluding Tsunami donations.¹

1.2 Executive Summary

The following is a summary of the significant statistics that are further analysed in this paper.

General Information:

- The total amount donated and claimed as tax-deductible donations in 2004-05 was \$1.47 billion (compared to \$1.16 billion for the previous income year). This constitutes an increase of \$307 million (or 26.4%) from the previous income year. This is the second time deductible gifts have exceeded a billion dollars.
- In 2005, Australian taxpayers claimed \$1,219 million in tax agent fees deductions (5.3% of total claimed deductions). For the second time since records have been kept, gift deductions now exceed tax preparation deductions. The gift deduction represents 6.4 % of individual taxpayer's total deductions, work related expenses being over 52% of all deductions claimed.
- Using a base year of 1978-79, the actual total tax-deductible donations made by Australian taxpayers is far exceeding the inflation-adjusted total tax-deductible donation as measured by the Consumer Price Index (CPI).
- The average tax-deductible donation made and claimed by Australian taxpayers to DGRs in 2005 was \$341.29 (compared to \$300.61 the previous income year). This average amount has doubled in the last decade. Using a base year of 1978-79, the actual average tax-deductible donation is far exceeding the inflation-adjusted average tax-deductible donation as measured by the CPI.
- In 2004-05, 4,312,815 Australian taxpayers (or 38.38% of the Australian taxpaying population) made and claimed tax-deductible donations. This percentage has been increasing slightly over the past eleven years and is at its highest level since 1992-93.
<http://www.partnerships.gov.au/>

¹ Report available at <http://www.partnerships.gov.au/>

- On average, those individual taxpayers who make tax-deductible donations to DGRs donate approximately 0.33% of their taxable income. Once again, this trend has been increasing slightly over the past eleven years and is at its highest level since 1992-93.

Gender:

- In 2004-05, 2,237,025 male taxpayers (representing 59.56% of the total) made and claimed tax-deductible donations to DGRs totaling \$391.91 million. 2,075,790 female taxpayers (representing 40.44% of the total) made and claimed tax-deductible donations to DGRs totaling \$286.74 million in 2005.
- The average tax-deductible donation made and claimed by Australian male taxpayers to DGRs in 2005 was \$391.91 and \$286.74 for Australian female taxpayers.
- In 2004-05, 38.44% of Australian male taxpayers and 38.32% of Australian female taxpayers made and claimed tax-deductible donations to DGRs. The national average was 38.38%.
- On average, male Australian taxpayers who made tax-deductible donations to DGRs donated approximately 0.33279% of their taxable income and Australian female taxpayers donated 0.36718% of their taxable income.

State of Residence:

- A total of 1,451,495 million taxpayers in **New South Wales** claimed tax-deductible donations to DGRs of \$623.89 million. This amount represented over 42% of the national total. The next largest donor state was **Victoria** with 1,164,360 taxpayers who made and claimed tax-deductible donations to DGRs of \$394.44 million, representing 26.8% of the national total. More than 783,205 **Queensland** taxpayers claimed tax-deductible donations totaling \$189.9 million. This represented 12.9 % of the national total. Together, these three states accounted for 82% of total tax-deductible donations made to DGRs in 2004-05.
- **New South Wales** taxpayers made and claimed the largest average tax-deductible donation to DGRs of \$429.83 compared to the national average of \$341.29. **Australian Capital Territory** taxpayers made the next highest average tax-deductible donation to DGRs with \$369.67, followed by **Victoria** with an average tax-deductible donation of \$338.76. **Queensland** taxpayers made and claimed an average tax-deductible donation in 2005 of \$242.47.
- Taxpayers in **New South Wales** donated an average of 0.42346%, followed by **Australian Capital Territory** taxpayers who donated 0.38343% of their taxable income to DGRs. This compares to the national average of 0.34576%. Taxpayers in **Victoria** donated an average of 0.37321% of their taxable income to DGRs, whilst **Queensland** taxpayers donated an average of 0.24618%.

Income Bands:

- In 2004-05, the average tax-deductible donation made and claimed by taxpayers in the \$50,000-\$99,999 income band was \$320.47. The average tax-deductible donation made and claimed by individual taxpayers to DGRs in the \$100,000-\$499,999 income band increased to \$1,123.24.
- The average tax-deductible donation made and claimed by individual taxpayers to DGRs earning over one million per year was \$59,350.59 (compared to \$73,355.44 last year).
- In 2004-05, 53.76% of taxpayers in the \$50,000-\$99,999 income band made and claimed tax-deductible donations to DGRs. This compares to the national average of 38.38%. When analysing the \$100,000-\$499,999 income band taxpayers, this percentage increased to 59.21%. A total of nearly 66% of taxpayers earning over \$1 million made and claimed tax-deductible donations to DGRs in 2005, almost one and a half times the national average of 38.38%

- Taxpayers earning over \$1 million donated approximately 1.98389% of their taxable income to DGRs. This was nearly six times the national average.

Industry:

- The highest average tax-deductible donations made and claimed by individual sole trader taxpayers in 2004-05 came from taxpayers engaged in finance and insurance services. These taxpayers made an average tax-deductible donation of \$1,152.95. The next highest came from sole trader taxpayers engaged in health and community services who made and claimed an average tax-deductible donation of \$937.52. Sole trader taxpayers engaged in primary production made and claimed an average tax-deductible donation in 2005 of \$908.03. The national average was \$341.29.
- At the opposite end of the scale, the lowest average tax-deductible donations made and claimed in 2003-04 came from salary and wage earners with \$182.24. Next lowest were sole trader taxpayers engaged in the construction industry with an average tax-deductible donation of \$202.74 and communication with an average tax-deductible donation of \$215.63.

1.3 The Boxing Day Tsunami and Giving

On 26 December 2004, an earthquake measuring 9.15 on the Richter Scale triggered giant waves which claimed over 230,000 lives; 2 million people were displaced; 370,000 homes were destroyed or damaged; some 5,000 miles of coastline was devastated; and 2,000 miles of roads ruined across some thirteen nations in Asia.

An estimated \$13.05 billion was pledged from a variety of international sources.²

- Governments (including the European Union) have pledged \$5.9 billion (45% of the total).
- International financial institutions (such as the World Bank or the Asian Development Bank) have pledged \$2.1 billion (16% of the total).
- Private individuals and companies have pledged \$5 billion (38% of the total).

This total figure reflects all international pledges, irrespective of their purpose and also includes \$22 million in funds that are un-earmarked UN funds, transfers within the UN, and pledges from unspecified donors. In addition to these pledges, the governments of the affected countries are also investing in tsunami recovery. For example, the Government of India has set aside approximately \$2.1 billion in tsunami-related funds, and the Government of Indonesia has to date committed \$2.2 billion.

Australians participated in the relief operations through its government and private international aid agencies. A table ranking of donor pledges, compiled by a reputable press organisation shows that Australia was a large overall contributor to the relief effort as well as making a significant contribution when our population is taken into account.

² U.N. Office of the Special Envoy for Tsunami Recovery at <http://www.tsunamispecialenvoy.org/financial/>

Tsunami Global Aid Comparisons

Aid per Country \$US				Aid per capita \$US			
Country	Government Pledge	Private donations	Total	Country	Government	Private	Total
USA	\$857.0m	\$1.78bn	\$2.63bn	Norway	\$38	\$21	\$59
Germany	\$643.3m	\$663.9m	\$1.3bn	Australia	\$39	\$14	\$53
Britain	\$445.2m	\$663.0m	\$1.1bn	Netherlands	\$19	\$16	\$35
Australia	\$792m	\$284.4m	\$1.07bn	Canada	\$10	\$9	\$19
Japan	\$550.5m	\$123.8m	\$674.3m	Britain	\$7	\$11	\$18
Canada	\$341.1m	\$310.0m	\$651.1m	Germany	\$8	\$8	\$16
France	\$182m	\$405m	\$587m	France	\$3	\$7	\$10
Netherlands	\$308.8m	\$257.0m	\$565.8m	USA	\$3	\$6	\$9
Norway	\$175.7m	\$95.7m	\$271.4m	Japan	\$4	\$1	\$5

Source: Reuters AlertNet <<http://www.alertnet.org/thefacts/reliefresources/112739777749.htm>>

The Australian Council for International Development paid particular attention to providing on behalf of its members an accounting to the Australian public of donations raised in respect of the Tsunami appeal.³ Its figures are particularly reliable as it is drawn from audited accounts of agencies with code enforced standard definitions. All of the aid organizations are Deductible Gift Recipients and unlike data from other nonprofit sectors is relatively comprehensive and accurate in nature. This allows estimation about what effect the donations by individuals might have on the 2004-05 gift deduction statistics.

Asia Earthquake and Tsunami Appeal			
Total Figures for the 30 ACFID member agencies featured			
As at 30 September 2006			
	26/12/04-31/12/05	01/01/06-30/09/06	Total
	AUD	AUD	AUD
Revenue			
Public Donation	273,805,459	1,745,350	275,550,811
Corporate Donations	73,204,906	5,321,645	78,526,551
Government	21,828,312	416,496	22,244,808
Interest earned	11,203,020	6,824,657	18,027,676
Total Revenue	380,041,698	14,308,147	394,349,846
Disbursements			
Program Expenditure			
- Funds spent on overseas projects	154,533,809	76,023,091	230,556,900
- Funds spent on program support	3,468,450	2,075,813	5,544,264
Overhead Expenses	12,744,453	1,698,383	14,442,837
Total Disbursements	170,746,712	79,797,287	250,544,001
Balance (funds available for programs)	209,294,986	(65,489,140)	143,805,846
Expenses funded from other organisational sources	435,026	217,520	652,545

Source: ACFID, *Supporting our Neighbours – Australians Making a Difference*, 2006, p.22

³ ACFID website: <http://www.acfid.asn.au/code-of-conduct>
Supporting our Neighbours – Australians Making a difference, 2006, p.22

Over the past five years tax deductible giving has increased by 11.37% per annum due in part to the incentives announced by the Prime Minister to encourage philanthropy such as Prescribed Private Funds (PPFs). In the latest year 2004-05, the increase was 26.39%. Was this all due to the Tsunami donations?

The amount of Tsunami donations claimed as tax deductions is unknown, but as noted above, it is known that \$273.8m was donated by individuals (taxpayers and non tax payers) from ACFID data. If all the Tsunami donations were claimed as gift deductions by the public then there was still a 2.73% increase over the previous year.

However, there are a number of factors which would lead us to believe that this increase is likely to be different, probably much larger in fact. First, the ACFID figure includes donations made six months beyond the end of the taxation year to 31 December 2005, although it is probable that the vast bulk of donations were received prior to the end of the financial year. Second, the ACFID figure would include non-taxpayers donors who could not claim a tax deduction in the usual course for example, children and nonprofit organizations. Third, previous research has shown that not all taxpayers claim gifts as tax deductions. The reasons for this have been variously identified as not keeping the tax deductible receipt, forgetting to claim the gift on the tax return, and intentionally not wishing to claim a tax deduction for a gift. Finally, the gift may not qualify for tax deductibility (for example, less than \$2 cash or property valued under \$5,000) or the recipient organization may not be endorsed as a DGR. However, we expect that all ACFID organizations are DGRs and gifts would usually be tax deductible.

In order to be able to estimate the Tsunami effect on tax deductible giving, the ACFID Tsunami data has to be converted to what would have been claimed as tax deductible gifts taking into account the above issues. The Giving Australia Research suggests "about one in four of all donations made by individuals is claimed" as a tax deduction based on survey data.⁴ Prior research by CPNS in comparing reported gifts on DGR ATO endorsement forms and comparisons to that year's ATO reported gift deductions indicates one in three dollars were claimed as gift deductions.⁵ We have adopted the device of using a range of actual claimed ACFID reported donations as being between one fifth and one third.

Our estimate taking into account various factors such as differences in time periods, non-taxpayers and taxpayers who do not claim gift deductions is that the increase over the previous year **less Tsunami donations** is between 18.63% and 21.69% increase. This represents an increase between 7.26% and 10.32% above the five year average.

While the Fundraising Institute of Australia correctly analysed and forecast the effect of the Tsunami appeal of overall giving for the year drawing upon rigorous overseas scholarship, this did not prevent others making public statements about a feared reduction in public support for their organization and beyond.⁶ Charities surveyed by Givewell about the Tsunami impact upon their fundraising in 2005 found that 39% believed at the time that it would have a negative impact.⁷ However, fundraisers' and policymakers' fears at the time of the Tsunami that individual donors would suffer "fatigue" and non-international aid DGRs would be adversely affected appear to be misplaced. The strong indications are that giving (expanded) to meet the challenge of the Tsunami probably increasing further due to the public focus on giving. The Giving Australia 2005 study when it excluded Tsunami giving also supports this trend for all giving, not just that which was tax deductible.⁸

The experience in the United States of America where scholars have been measuring giving for a considerable period of time is that giving expands to meet special tragic events, rather than

⁴ Lyons, M. and Passey, A. (2005) *Australians Giving and Volunteering 2004*, Canberra, Department of Family and Community Services at p 7. Downloadable as pdf file from <www.partnership.gov.au>

⁵ CPNS, Current Issues Information Sheet 2005/2 – ATO Data: Deductible Gift Recipients dated 13 April 2005.

⁶ FIA Online Special Edition 11 January 2005 at <http://www.fia.org.au>

⁷ Givewell, *Australian giving post-tsunami: Australian charities financial analysis 2004*, Givewell, 2005, Evans Head, NSW.

⁸ Lyons, M. and Passey, A. (2005) *Australians Giving and Volunteering 2004*, Canberra, Department of Family and Community Services at p 6. Downloadable as pdf file from <www.partnership.gov.au>

being reallocated from other causes.⁹ The positive publicity about giving usually generated by such events apparently leads to both increased monetary giving across the board as well as increased volunteering and in kind donations such as blood and goods. The data from the post 9/11 tragedy particularly supports this conclusion.¹⁰ However, US data is yet to be analyzed for the 2005 calendar year which includes not only the Tsunami but also three gulf hurricanes and the Pakistan earthquake.

These are aggregate figures and some individual organizations did experience a drop in giving, but it does refute the claim that Tsunami donations would seriously deplete giving to other causes. Those organizations that suffered a decline in donations from private individuals should examine the strategies adopted to contend with the fact of a significant tragedy occurring such as re scheduling special events and appeals from the immediate period of the tragedy, appropriate communications with donors about the tragedy and their continued support.

2.0 WHAT IS A TAX-DEDUCTIBLE GIFT?

According to Division 30 of the Income Tax Assessment Act 1997 (Cth) (ITAA 1997), taxpayers are entitled to claim a tax deduction for gifts (i.e. donations) made during the income year to endorsed DGRs. There are two (2) elements which must be present in order to claim a tax-deduction:

- (a) it must be a gift; and
- (b) it must be made to a DGR.

The term "*gift*" is not defined in either the ITAA 1936 or 1997. As a consequence, it takes on its ordinary meaning. However, for a gift to be a tax-deductible donation and claimed as an income tax deduction in personal income tax returns, the gift must usually have the following characteristics:

- there is a transfer of the beneficial interest in property;
- the transfer is made voluntarily;
- the transfer arises by way of benefaction; and
- no material benefit or advantage is received by the giver by way of return.

Generally, for a payment to be considered a gift it must be unfettered, that is, there must be no obligation to do anything in recognition of the gift and no expectation on the part of the donor to receive anything in return for the donation (i.e. no strings attached).

Where a payment constitutes a bona-fide gift, then the donor is entitled to claim the amount given as an income tax deduction under Division 30. In contrast, the following are **not** usually considered gifts:

- purchase of raffle or art union tickets;
- purchase of an item such as a mug, key ring or pen which is not merely a token that promotes the DGR or its activities. Such tokens which are commonly given in fundraising drives include lapel badges, bumper stickers, red noses, Legacy pins, daffodils on Daffodil Day and so on;
- the cost of attending a fundraising dinner, even if the cost exceeds the value of the dinner. However, there are new contribution rules that apply from 1 July 2004 for minor benefits made to DGRs;

⁹ Association of Fundraising Professionals, Study of the Impact of the events of September 11 on charities, 2002, Alexandria; Independent Sector A survey of charitable giving after September 11th 2001, 2001, Washington, DC; Rooney, P.M., The effect of the stock market and the attack on America on charitable giving, 2002, Centre on Philanthropy at Indiana University, Indiana.

¹⁰ Kathryn Steinberg & Patrick Rooney, America Gives: A Survey of America's Generosity After September 11, Nonprofit and Voluntary Sector Quarterly, 2005; 34, p110-135.

- payments to school building funds as an alternative to an increase in school fees;
- membership fees; and
- payments where the person has an understanding with the recipient that the payment will be used to provide a benefit to the donor.

On 20 July 2005, the ATO released *Taxation Ruling* TR 2005/13 Tax Deductible Gifts – What is a Gift? This taxation ruling supersedes several other taxation rulings and taxation determinations and represents the most comprehensive taxation ruling issued by the Australian Taxation Office on the subject of tax-deductible gifts. TR 2005/13 contains 230 paragraphs, 81 worked examples and spans 47 pages.

However, the government from 1 July 2004 has allowed certain contributions to be deductible which do not fall under the strict definition of a gift. A deduction is now allowed where the donor receives a benefit in connection with the contribution, provided that certain conditions are met and the benefit does not exceed a specified limit. Broadly, this allows deductions for two separate types of contributions at a deductible gift recipient fund-raising event in Australia, namely:

- contributions made in return for a right to participate in a fund-raising event (e.g. the purchase of a ticket to attend a charity ball, fete, dinner, performance or similar charitable fund-raising event), and
- contributions made by way of consideration for the supply of goods and services for successful bidding at a charity auction that is conducted by a deductible gift recipient.

Categories of Deductible Gift Recipients

From 1 July 2000, pursuant to Subdivision 30-BA of the ITAA (1997), the Commissioner of Taxation must endorse both Income Tax Exempt Charities (ITECs) and DGRs.

If a DGR is not endorsed by the Commissioner, donors will be unable to claim income tax deductions for gifts made on or after 1 July 2000 under Division 30 of the ITAA (1997).

Sub-Division 30B of the ITAA (1997) outlines the 12 general categories of entities and funds that have been endorsed by the Commissioner of Taxation as DGRs.

The general categories are:

- health (Section 30-20);
- education (Section 30-25);
- research (Section 30-40);
- welfare and rights (Section 30-45);
- defence (Section 30-50);
- environment (Section 30-55);
- the family (Section 30-70);
- international affairs (Section 30-80);
- sports and recreation (Section 30-90);
- philanthropic trusts (Section 30-95);
- cultural organisations (Section 30-100); and
- other recipients consisting of ancillary funds (Section 30-105).

Five new general categories of deductible gift recipient have been allowed from 1 July 2006, disaster relief, war memorials, animal welfare, charitable services and educational scholarships.

In addition to the above general categories of funds, authorities, institutions and organisations, gifts of \$2 or more made to specific recipients specified in Sections 30-15 to 30-100 are also deductible to the donor.

However, these are only the general categories. This is not the full list of DGRs. Donors can check the status of a DGR by searching the Australian Business Register.¹¹

Only certain types of gifts are specifically made tax-deductible under Division 30. These include:

- gifts of \$2 or more (money);
- property which has been purchased by the donor less than 12 months before the gift was made;
- property valued by the Commissioner as over \$5,000;
- trading stock disposed of outside the ordinary course of business;
- cultural gifts, being property made under the Cultural Gifts Program;
- cultural bequests, being property made under the Cultural Bequests Program; and
- heritage gifts

In order to claim the amount of their tax-deductible donation to a DGR, donors are required to keep records of their gifts. DGRs are not required by income tax law to issue receipts for deductible gifts, but most do, as the donor will need a receipt in order to substantiate the claim made.

New Philanthropic and Giving Taxation Initiatives

On 26 March 1999, the Prime Minister issued a press release announcing various income tax measures to encourage greater corporate and personal philanthropy in Australia. A summary of these new measures include:

- establishment of prescribed private funds (PPFs);
- gifts of property over \$5,000;
- 5-year averaging of donations;
- deductions for workplace giving;
- conservation covenants;
- capital gains tax exemption under the Cultural Gifts Program;
- deductions for fundraising dinners and similar events; and
- health promotion charities.

Each of these taxation incentives are briefly discussed below in more detail.

Further incentives have been suggested and developed by the Prime Minister's Community Business Partnership since 1999. These incentives which involve the taxation regime have been gradually rolled out since 1999.¹²

a. Establishment of Prescribed Private Funds (PPFs)

One measure involved the establishment of the PPFs. A PPF is a fund established by will or trust instrument with:

- DGR status (that is, gifts to it are deductible to the donor);
- normally, income tax exempt status (that is, its income is exempt from income tax); and

¹¹ For further information refer to <http://www.business.gov.au>

¹² For further information refer to <http://www.partnerships.gov.au>

- the ability to attract a variety of other Commonwealth, State and Territory tax and duty concessions.

There is no need for gifts to a PPF to be sought and received from the public and a PPF can be controlled by an individual, family or corporate group. This is a removal of a major barrier to philanthropy, as it was often difficult to satisfy the previous test of “public donations” before a fund would be endorsed as a DGR.

The PPFs prescribed by REG 995-1.02 in respect of Section 995-1 of the ITAA (1997) are listed in Table 1. As at 3 October 2006, a total of 452 PPFs had been approved with 14 having ceased operation.

PPF Summary Table 1

Year	No. PPFs created	No. PPfs ceased
2001	29	0
2002	67	0
2003	46	4
2004	93	3
2005	104	3
2006	113	4
Total	452	14

**Table 2: List of Prescribed Private Funds (PPFs)
as at 1 October 2006**

PRESCRIBED PRIVATE FUNDS

Item	Name of Fund	Date, or period, of effect
1	Nelson Meers Foundation	21 June 2001
2	Sargents Foundation Sub-Fund	21 June 2001
3	The Andersen Foundation	21 June 2001
4	Brencorp Foundation	22 June 2001 to 22 April 2005
5	Gandel Foundation	22 June 2001
6	Gonski Foundation	22 June 2001
7	Humanity Trust	22 June 2001
8	Levy Foundation	22 June 2001
9	The CINS Foundation	22 June 2001
10	The Cuthbert Foundation	22 June 2001
11	The F&J Ryan Foundation	22 June 2001
12	The Joan & Peter Clemenger Trust	22 June 2001
13	The Parncutt Family Foundation	22 June 2001
14	The Pratt Family Foundation	22 June 2001
15	The Rodney & Judith ONeil Foundation	22 June 2001
16	The Sentinel Foundation	22 June 2001
17	The Charitable Foundation	25 June 2001
18	The Noble Foundation	27 June 2001 to 7 September 2006
19	The Sarah and Baillieu Myer Family Foundation	27 June 2001
20	Wind Over Water Foundation	27 June 2001
21	The Aranday Foundation	28 June 2001
22	The Mill House Foundation	11 July 2001
23	Hunter Hall Charitable Fund	16 August 2001
24	The International Children's Foundation	23 August 2001
25	The Brian and Maxine Newell Prostate Cancer Research Foundation	17 September 2001
26	Barrie Bailey Foundation	3 October 2001
27	The Rotary Club of Hillarys Community Foundation	3 October 2001
28	The Western Australian Club Foundation	3 October 2001

29	Yeast Foundation	20 December 2001
30	The A & E Finkel Foundation	14 February 2002
31	The Caledonia Foundation	14 February 2002
32	The Clipsal Fund	25 March 2002 to 24 November 2003
33	AB's Trek for Kids Foundation	26 March 2002 to 30 June 2004
34	Booze Brothers Staff Charitable Fund	26 March 2002
35	Dubler Family Foundation	26 March 2002
36	AACFE Charitable Foundation	22 April 2002
37	Collection House Foundation	22 April 2002 to 15 August 2005
38	John Collier Foundation	22 April 2002
39	The Coca-Cola Australia Foundation	22 April 2002
40	The Dawson Family Foundation	22 April 2002
41	The Dianne Kemp Foundation	22 April 2002
42	The Margaret Lawrence Bequest	22 April 2002
43	The Mount Scopus College Foundation Trust	22 April 2002
44	Paul Ainsworth Charitable Foundation	5 June 2002
45	Philandron Foundation	5 June 2002
46	Philip and Vivien Brass Charitable Foundation	5 June 2002
47	The Albrecht Foundation Trust	5 June 2002
48	The Berg Family Foundation	5 June 2002
49	The Michael & Andrew Buxton Foundation	5 June 2002
50	The Samuel Nissen Charitable Foundation	5 June 2002
51	R & M Champion de Crespigny Foundation	11 June 2002
52	The Flew Foundation	11 June 2002
53	Accenture Australia Foundation	14 June 2002
54	Andyinc Foundation	14 June 2002
55	Bennelong Foundation	14 June 2002
56	Glencoe Foundation	14 June 2002
57	Guthrie Family Memorial Fund	14 June 2002
58	Hill Charitable Foundation	14 June 2002
59	JBWere Foundation	14 June 2002 to 11 December 2003
60	Jewish Holocaust Centre Foundation	14 June 2002

61	John Lamble Foundation	14 June 2002
62	Key Foundation	14 June 2002
63	Leeuwin Estate Foundation	14 June 2002 to 17 November 2004
64	Lifework Foundation	14 June 2002
65	Mannkal Economic Education Foundation	14 June 2002
66	New Start Foundation	14 June 2002
67	Schaffer Foundation	14 June 2002
68	The Angel Fund	14 June 2002
69	The Bamford Family Foundation	14 June 2002
70	The Isabel and John Gilbertson Charitable Trust	14 June 2002
71	The Jackson Family Foundation	14 June 2002
72	The Teen Spirit Charitable Foundation	14 June 2002
73	The Thomas Foundation	14 June 2002
74	The William & Rita Rogers Charitable Foundation	14 June 2002
75	Trust for Nature Foundation	14 June 2002
76	Wilson Foundation	14 June 2002
77	The Manildra Foundation	26 June 2002
78	The McVay Foundation	26 June 2002
79	The Rainbow Charitable Foundation	26 June 2002
80	Onbass Foundation	5 August 2002
81	Schools' Canteen Education Foundation of Australia	5 August 2002
82	The Perini Family Foundation	5 August 2002
83	The Global Community Foundation	3 September 2002
84	The Jessie Salmond Foundation Fund	10 September 2002
85	The Vodafone Australia Foundation	10 September 2002
86	Jackson McDonald Community Foundation	11 September 2002
87	Pickard Foundation	9 October 2002
88	Cassandra Ganter Foundation	14 October 2002
89	Four Winds Foundation	14 October 2002
90	The Keith Murton Foundation	21 October 2002
91	The Jreissati Foundation Trust	29 October 2002
92	R.M. Brown Environmental Foundation	11 November 2002

93	The Greatorrex Foundation	20 December 2002
94	The Mount Scopus Memorial College B'Nei Mitzvah Foundation	20 December 2002
95	The Robert and Jennifer Ferguson Charitable Trust	20 December 2002
96	The Vittorio Romano 1 Foundation	20 December 2002 to 17 July 2003
97	James N Kirby Foundation	7 May 2003
98	The Minimbah Foundation for Youth	7 May 2003 to 19 May 2003
99	The Peters Family Foundation	20 May 2003
100	Abey Foundation	24 June 2003
101	A Celebration of Life Foundation	24 June 2003
102	Five Talents Foundation	24 June 2003
103	Hillcrest Foundation	24 June 2003
104	Janina and Bill Amiet Foundation	24 June 2003
105	Josef Reisinger Foundation	24 June 2003
106	McLean Perpetual Children's Foundation	24 June 2003
107	N.J. Innis Charitable Foundation	24 June 2003
108	Peter Isaacson Foundation	24 June 2003
109	Taranto Cultural Foundation	24 June 2003
110	The Alfred and Jean Dickson Charitable Foundation	24 June 2003
111	The Bell Shakespeare Company Foundation	24 June 2003 to 19 April 2004
112	The Clitheroe Foundation	24 June 2003
113	The George Lewin Foundation	24 June 2003
114	The Harvard Club of Australia Foundation	24 June 2003
115	The Himalayan Foundation of Australia Trust	24 June 2003
116	The Johanna Sewell Memorial Fund	24 June 2003
117	The Lidia Perin Foundation	24 June 2003
118	The Maccabi Victorian Sports Foundation	24 June 2003
119	The O'Neill Foundation	24 June 2003
120	The Orcadia Foundation	24 June 2003
121	The Peggy Charitable Foundation	24 June 2003
122	The Reym Fund	24 June 2003
123	The Werled Foundation	24 June 2003
124	The William and Georgena Bradshaw Foundation	24 June 2003

125	Thornhill Foundation	24 June 2003
126	Dalcorp Foundation	30 June 2003
127	John and Marie Hill World Scout Jamboree Trust Fund	30 June 2003
128	PricewaterhouseCoopers Foundation	30 June 2003
129	Schapper Family Foundation	30 June 2003
130	Selim Foundation	30 June 2003 to 3 October 2006
131	VM Romano Foundation	18 July 2003
132	The Arcus Foundation	8 September 2003
133	Clayton Utz Foundation	23 October 2003
134	Dibben Family Charitable Trust	23 October 2003
135	The Fair Go Foundation	23 October 2003
136	The Josephine Ulrick and Win Schubert Diversity Foundation	23 October 2003
137	The Judith Jane Mason and Harold Stannett Williams Memorial Foundation	23 October 2003
138	The Phileo Foundation	23 October 2003
139	The Reed Charity Trust	23 October 2003
140	The Sid Myer Family Foundation	23 October 2003 to 27 January 2005
141	The Gerard Fund	25 November 2003
142	Goldman Sachs JBWere Foundation	12 December 2003
143	Greenlight Foundation	3 February 2004
144	Horwath Charitable Trust	3 February 2004
145	Maple-Brown Family Charitable Trust	3 February 2004
146	Matana Foundation for Young People	3 February 2004
147	McGrath Family Foundation	3 February 2004
148	Sabemo Foundation	3 February 2004
149	Southern Paradise Foundation	3 February 2004
150	The JEM Foundation	3 February 2004
151	The Persephone Foundation	3 February 2004
152	Annieandjohnpaterson Foundation	10 February 2004
153	Neil & Norma Hill Foundation	10 February 2004
154	Pierce Armstrong Trust	10 February 2004
155	Rosella Foundation	10 February 2004

156	Sherman Foundation	10 February 2004
157	The Ernst & Young Foundation	10 February 2004
158	The MJFS Foundation	10 February 2004
159	The Shane Warne Foundation	10 February 2004
160	The Bell Shakespeare Development Trust	20 April 2004
161	Count Charitable Foundation	24 April 2004
162	Ilhan Foundation	24 April 2004 to 23 January 2006
163	Kids and Families Foundation	24 April 2004
164	Purves Private Fund	24 April 2004
165	Rees Jones Foundation	24 April 2004
166	The ACCA Foundation	24 April 2004
167	The Allison Foundation	24 April 2004
168	The Besen Family Foundation	24 April 2004
169	The Boyd Group Foundation	24 April 2004
170	Acuity Evangelical Foundation Prescribed Fund	16 June 2004
171	Bamaga Foundation	16 June 2004
172	Becher Foundation	16 June 2004
173	Belalberi Foundation	16 June 2004
174	Bradley McKnight Foundation	16 June 2004
175	Donkey Wheel Fund	16 June 2004
176	Efron Family Foundation	16 June 2004
177	Fay Fuller Foundation	16 June 2004
178	Fouress Foundation	16 June 2004
179	Goodman Family Foundation	16 June 2004
180	Grosman Family Foundation	16 June 2004
181	H & K Johnston Family Foundation	16 June 2004
182	Heymanson Family Foundation	16 June 2004
183	Kel & Rosie Day Foundation	16 June 2004
184	Liangrove Foundation	16 June 2004
185	Mark Francis Butler Charity Foundation	16 June 2004
186	McLeod Family Foundation	16 June 2004
187	RobMeree Foundation	16 June 2004

188	Schudmak Family Foundation	16 June 2004
189	Steven Moss Foundation	16 June 2004
190	The Agape Charitable Fund	16 June 2004
191	The Brenda Shanahan Charitable Foundation	16 June 2004
192	The David Harold Tribe Charitable Foundation	16 June 2004
193	The Helen Lyons Foundation	16 June 2004
194	The Keir Foundation	16 June 2004
195	The Macintosh Foundation	16 June 2004
196	The Malcolm Robertson Foundation	16 June 2004
197	The Moore Family Philanthropic Foundation	16 June 2004
198	The Muffin Foundation	16 June 2004
199	The Neilson Foundation	16 June 2004
200	The Ray and Margaret Wilson Foundation	16 June 2004
201	The White Foundation	16 June 2004
202	Vernon Foundation	16 June 2004
203	Wolanski Foundation	16 June 2004
204	Aarons Foundation	17 June 2004
205	Costa Family Foundation	17 June 2004
206	Debbie Stach Memorial Fund	17 June 2004
207	Gleeson/O'Keefe Foundation	17 June 2004
208	Hear & Say Foundation	17 June 2004
209	Herbert And Valmae Freilich Prescribed Private Fund	17 June 2004
210	Molloy Family Foundation	17 June 2004
211	Montgomery Foundation	17 June 2004
212	Newcastle Permanent Charitable Foundation	17 June 2004
213	Next Generation Prescribed Private Fund	17 June 2004
214	Phil Little Design Foundation	17 June 2004
215	Pixifoto Foundation	17 June 2004
216	Skipper-Jacobs Charitable Trust	17 June 2004
217	Spotlight Charitable Foundation	17 June 2004
218	The Bill & Patricia Ritchie Foundation	17 June 2004
219	The Horizon Foundation	17 June 2004

220	The Nicol Foundation	17 June 2004
221	The Orica Community Foundation	17 June 2004
222	The Skellern Family Foundation	17 June 2004
223	The Springett Family Foundation	17 June 2004
224	Vincent Fairfax Ethics in Leadership Foundation	17 June 2004
225	WJ & MS Hughes Foundation	17 June 2004
226	Wythenshawe Foundation	17 June 2004
227	Leeuwin Estate Charitable Foundation	17 November 2004
228	Aboriginal Benefits Foundation	20 December 2004
229	Clubs Smile for a Child Foundation	20 December 2004
230	Shaddock Foundation	20 December 2004
231	Spinifex Trust	20 December 2004
232	The Corio Foundation	20 December 2004
233	The Jordan Family Charitable Trust	20 December 2004
234	The Morgan & Banks Foundation	20 December 2004
235	The Trawalla Foundation	20 December 2004
236	The Sid and Fiona Myer Family Foundation	27 January 2005
237	AirRoad Foundation	4 February 2005
238	Tattersall's George Adams Foundation	4 February 2005
239	Isador and Rebecca Magid Foundation	12 April 2005
240	The API Trust Fund	12 April 2005
241	The Carnegie Foundation	12 April 2005
242	The Gourlay Charitable Trust	12 April 2005
243	The Lindsay & Heather Payne Medical Research Charitable Foundation	12 April 2005
244	The Lochtenberg Foundation	12 April 2005
245	The Pace Foundation	12 April 2005
246	The Restoration Foundation	12 April 2005
247	The Rix Foundation	12 April 2005
248	Scanlon Foundation	22 April 2005
249	ABD Foundation Barr Family Foundation	10 June 2005
250	Adam Scott Foundation	10 June 2005

251	Aon Charitable Foundation	10 June 2005
252	Australand Foundation	10 June 2005
253	Barr Family Foundation	10 June 2005
254	Bendat Family Foundation	10 June 2005
255	Cochrane-Schofield Charitable Fund	10 June 2005
256	Ferris Family Foundation	10 June 2005
257	Gaunt Family Foundation	10 June 2005
258	Gilmour Foundation	10 June 2005
259	Gordon Brothers Charitable Foundation	10 June 2005
260	Harry Triguboff Foundation	10 June 2005
261	Henry Pollack Foundation	10 June 2005
262	Indigo Community Aid Foundation	10 June 2005
263	Jack & Ethel Goldin Foundation	10 June 2005
264	Just Enough Faith Foundation	10 June 2005
265	Kzacos Foundation	10 June 2005
266	Kopke Family Foundation	10 June 2005
267	Lew Foundation	10 June 2005
268	Limb Family Foundation	10 June 2005
269	Michael Craft Memorial Fund	10 June 2005
270	Michael & Dellarose Baeviski Foundation	10 June 2005
271	O'Donohue Family Foundaton	10 June 2005
272	Prescott Family Foundation	10 June 2005
273	Seidler Architectural Foundation	10 June 2005
274	SG Foundation	10 June 2005
275	Shirley Greathead Foundation	10 June 2005
276	Sisyphus Foundation	10 June 2005
277	Skar Foundation	10 June 2005
278	Telstra Foundation Community Development Fund	10 June 2005
279	The Beeren Foundation	10 June 2005
280	The Bluesand Foundation	10 June 2005
281	The Byrnes Foundation	10 June 2005
282	The Deloitte Foundation	10 June 2005

283	The George and Janet Parker Memorial Trust	10 June 2005
284	The Kirk Foundation	10 June 2005
285	The Lightfoot Foundation	10 June 2005
286	The Nelson Foundation	10 June 2005
287	The Penn Foundation	10 June 2005
288	The Sunjoto Foundation - The Spirit of Giving	10 June 2005
289	The Wood Foundation	10 June 2005
290	William McIlrath Charitable Foundation	10 June 2005
291	Willowtree Foundation	10 June 2005
292	Woollahra Colleagues Rugby Union Football Club Foundation	10 June 2005
293	Alter Family Foundation	23 June 2005
294	Bennetts Family Foundation	23 June 2005
295	Burton Taylor PPF Foundation	23 June 2005
296	ERM Foundation	23 June 2005
297	Fielding Foundation	23 June 2005
298	Franz Loibner Foundation	23 June 2005
299	George Jones Family Foundation	23 June 2005
300	Hart Charitable Trust	23 June 2005
301	Hunt Foundation	23 June 2005
302	Ivany Foundation	23 June 2005
303	Kahn Friedlander Family Foundation	23 June 2005
304	Laver Family Foundation	23 June 2005
305	Lee Liberman Charitable Foundation	23 June 2005
306	Matsarol Foundation	23 June 2005
307	R P Medical Fund	23 June 2005
308	The Annemarie & Arturo Gandioli Fumagalli Foundation	23 June 2005
309	The Blackley Foundation	23 June 2005
310	The Cubit Family Foundation	23 June 2005
311	The Freedman Foundation	23 June 2005
312	The Ian Watson Foundation	23 June 2005
313	The Hunter 5 Foundation	23 June 2005
314	The Margaret Miller Foundation	23 June 2005

315	The Mavis & Bill Jennings Foundation	23 June 2005
316	The Steed Family Foundation	23 June 2005
317	The Waterham Family Foundation	23 June 2005 to 7 August 2006
318	The Zimmerman Family Foundation	23 June 2005
319	Turnbull Foundation	23 June 2005
320	Wood Family Foundation	23 June 2005
321	Sherry-Hogan Foundation	30 June 2005
322	Simpson Family Foundation	30 June 2005
323	Luca and Anita Belgioro-Nettis Foundation	2 December 2005
324	Macquarie Goodman Foundation	2 December 2005
325	Money Managers Charitable Trust	2 December 2005
326	Sachdev Foundation	2 December 2005
327	The Chestnut Tree Foundation	2 December 2005
328	The Cruthers Art Foundation	2 December 2005
329	The Grenda Foundation	2 December 2005
330	The Heartfelt Foundation	2 December 2005
331	The Katharina Elizabeth Foundation	2 December 2005
332	The Paul Griffin Charitable Trust	2 December 2005
333	The Regal Foundation	2 December 2005
334	The Tall Foundation	2 December 2005
335	The V V Marshman Charitable Trust	2 December 2005
336	The Wandin Heritage Foundation	2 December 2005
337	The Winter-Pauwels Foundation	2 December 2005
338	Youth Enterprise Trust Foundation	2 December 2005
339	Zunahme Prosperity Fund	2 December 2005
340	Anglicare Victoria Childrens Foundation	4 April 2006
341	CAMYRIS Foundation	4 April 2006
342	Feilman Family Foundation	4 April 2006
343	Goodridge Foundation	4 April 2006
344	Hunt Foundation	4 April 2006
345	K and MV Topliss Charitable Foundation	4 April 2006
346	Paul Ramsay Foundation	4 April 2006

347	The Balnaves Foundation	4 April 2006
348	The Douglas & Phillip Young Charitable Trust	4 April 2006
349	The Hargrove Foundation	4 April 2006
350	The Kailis Foundation	4 April 2006
351	The Kinghorn Foundation	4 April 2006
352	Bagôt Gjergja Foundation	25 May 2006
353	Carlo & Roslyn Salteri Foundation	25 May 2006
354	G P Harris Foundation	25 May 2006
355	Hanlon Foundation	25 May 2006
356	Holmes à Court Family Foundation	25 May 2006
357	Isobel & David Jones Family Foundation	25 May 2006
358	Jill Landsberg Trust Fund	25 May 2006
359	Justin McCuaig Foundation	25 May 2006
360	Lewin Foundation	25 May 2006
361	Margaret Pemberton Foundation	25 May 2006
362	Naphtali Family Foundation	25 May 2006
363	Noah Foundation	25 May 2006
364	O'Brien Charitable Trust	25 May 2006
365	Paget Sayers Buddhist Trust	25 May 2006
366	Renee Pollack Foundation	25 May 2006
367	Renshaw Foundation	25 May 2006
368	Sara Halvedene Foundation	25 May 2006
369	Teele Family Foundation	25 May 2006
370	The Anne Cranston Charitable Trust	25 May 2006
371	The Bloomfield Group Foundation	25 May 2006
372	The Bob and Emma House Foundation	25 May 2006
373	The Dowling Family Foundation	25 May 2006
374	The Elizabeth and Barry Davies Charitable Foundation	25 May 2006
375	The FSJS Jubilee Charitable Foundation	25 May 2006
376	The Graeme Wood Foundation	25 May 2006
377	The Harry Secomb Foundation	25 May 2006
378	The Ian Landon Smith Foundation	25 May 2006

379	The Ken and Wilma Strickland Education Foundation	25 May 2006
380	The Miriam Raju Foundation	25 May 2006
381	The Siganto Foundation	25 May 2006
382	The Sunland Foundation	25 May 2006
383	The Tauber-Troeth Foundation	25 May 2006
384	The Wallace & Jessica Hore Foundation	25 May 2006
385	UBS Australia Foundation	25 May 2006
386	W & A Johnson Family Foundation	25 May 2006
387	Andrew McNaughtan Foundation	15 June 2006
388	Australian Unity Foundation	15 June 2006
389	CEDE Foundation	15 June 2006
390	Crommelin Family Foundation	15 June 2006
391	Frances Jane Edwards Foundation Fund	15 June 2006
392	Gras Foundation	15 June 2006
393	Greenspring Foundation	15 June 2006
394	Kausman Mann Family Foundation	15 June 2006
395	Patricia McIntyre Foundation	15 June 2006
396	Ross Knowles Foundation	15 June 2006
397	Sunrise Foundation	15 June 2006
398	Tenix Foundation	15 June 2006
399	The Crawbuck Foundation	15 June 2006
400	The Curran Family Foundation	15 June 2006
401	The Eric & Elizabeth Gross Foundation	15 June 2006
402	The Geneva Foundation	15 June 2006
403	The Hartley Estate Trust	15 June 2006
404	The Kariba Foundation	15 June 2006
405	The Maddocks Foundation	15 June 2006
406	The Playking Foundation	15 June 2006
407	The Orgill Family Foundation	15 June 2006
408	The Sun Foundation	15 June 2006
409	Towards A Better Future Foundation	15 June 2006
410	AJKM Charity Foundation	26 June 2006

411	Bell Family Foundation	26 June 2006
412	Carlton Family Foundation	26 June 2006
413	Handbury Family Foundation	26 June 2006
414	Merchant Charitable Foundation	26 June 2006
415	Owen Miller Foundation	26 June 2006
416	Stack Family Foundation	26 June 2006
417	The Hartley Foundation	26 June 2006
418	The Helpful Foundation	26 June 2006
419	The Ian & Linda Martin Charitable Foundation	26 June 2006
420	The John and Beryl May Henderson Foundation	26 June 2006
421	The Johnson Family Foundation	26 June 2006
422	The Peter Weiss Foundation	26 June 2006
423	The Schwinghammer Foundation	26 June 2006
424	The Sky Foundation	26 June 2006
425	The Sonshine Foundation	26 June 2006
426	The Stan & Maureen Duke Foundation	26 June 2006
427	David Henning Memorial Foundation	27 June 2006
428	Hutt Family Foundation	27 June 2006
429	Robert Christie Foundation	27 June 2006
430	The De Haan Foundation	27 June 2006
431	The Dubiety Foundation	27 June 2006
432	The Graham and Pam Nock Foundation	27 June 2006
433	The Murphy Foundation	27 June 2006
434	The Patronax Foundation	27 June 2006
435	The Ravine Foundation	27 June 2006
436	The Robertson Foundation	27 June 2006
437	The Sheehan Birrell Foundation	27 June 2006
438	The Tony & Gwenyth Lennon Family Foundation	27 June 2006
439	The Shine On Foundation	7 August 2006
440	Bruce Bain Foundation	10 August 2006
441	Bandalup Foundation	3 October 2006
442	Blackmore Foundation	3 October 2006

443	Christopher Cuffe Foundation	3 October 2006
444	Gandevia Foundation	3 October 2006
445	JB Davros Family Foundation	3 October 2006
446	Peter & Lyndy White Foundation	3 October 2006
447	R.A. Gale Foundation	3 October 2006
448	The Katherine Bourke Foundation	3 October 2006
449	The Leith Hope Memorial Foundation	3 October 2006
450	The Lionel Gell Foundation	3 October 2006
451	The LTN Foundation	3 October 2006
452	Values Education Foundation	3 October 2006

a. Gifts of Property Over \$5,000

From 1 July 2001 legislation was passed enabling donors to claim a tax deduction for gifts of property held by the donor which was valued at more than \$5,000 by the Commissioner of Taxation. This deduction was backdated to apply from 1 July 1999 and extends to property donated to approved environmental and heritage organisations. Previously, the deduction was only available where the property was purchased within 12 months of being donated.

b. 5 - Year Averaging of Donations

Donors now have the ability to spread the following types of gifts over a period of up to 5 income years:

- cash donations in excess of \$5,000 (which took effect from 1 July 2003);
- property valued by the Commissioner in excess of \$5,000 (which took effect from 1 July 1999); and
- cultural gifts made through the Cultural Gifts Program (which took effect from 1 July 1999).

c. Deductions for Workplace Giving

Workplace giving programs (which took effect from 1 July 2002) are designed to give employees the opportunity to make regular donations to a DGR through regular payroll deductions. Employees receive immediate tax benefits, as employers are able to reduce the amount of PAYG withholding tax from that employee's pay.

d. Conservation Covenants

Certain types of conservation covenants over land entered into on or after 1 July 2002 will be eligible for an income tax deduction and concessional capital gains tax treatment.

e. The Cultural Gifts Program - Capital Gains Tax Exemption

From 1 July 1999, bequests of property and gifts of cultural property made through the Cultural Gifts Program are now exempt from capital gains tax, thus maximising the appreciated value of these gifts for tax deduction purposes.

f. Deductions for Fundraising Dinners and Similar Events

From 1 July 2004, individual taxpayers will, in certain circumstances, be able to receive a tax deduction for 'contributions' in the form of a ticket to a charity fundraising dinner. The deduction will apply to contributions above \$250, where the value of the benefit received (for example, a meal or entertainment) is no more than 10% of the total contribution or \$100, whichever is less. The provision also rebates to goods purchased at fundraising auctions.

g. Health Promotion Charities

A new DGR category known as Health Promotion Charities is entitled to the same benefits as Public Benevolent Institutions. It commenced in 2002, but is back dated to the 1997/98 year. It allows a tax deduction for gifts to charitable institutions whose principal activity is to promote the prevention or the control of behaviour that is harmful or abusive to human beings.

h. Donations to political parties and other candidates have been liberalised.

Before 22 June 2006, former item 3 in the table in s 30-15(2) ITAA 1997 provided that a deduction to a political party registered under *Commonwealth Electoral Act 1918* Pt XI may be allowable but was limited to \$100 and could not be claimed by a company. From 22 June 2006, under Subdiv 30-DA ITAA 1997:

- the tax deductible threshold for political contributions is \$1,500 for an income year;

- deductions are allowed for contributions made to political parties registered under state and territory, as well as federal, electoral legislation;
- gifts to independent candidates and independent members may be deductible; and
- companies may be entitled to deductions.

i. Five new general categories of deductible gift recipient from 1 July 2006, being:

- Australian disaster relief funds – public funds for relief of people in distress as a result of a declared disaster which occurred in Australia
- animal welfare charities – charitable institutions that provide short-term direct care and/or rehabilitate certain animals
- charitable services institutions – charitable institutions that would be a public benevolent institution but for their health promotion and/or harm prevention activities
- war memorial repair funds – public funds established and maintained for the reconstruction or critical repair of a qualifying war memorial, and
- developed country disaster relief funds – public funds established by a public benevolent institution for relief of people in distress as a result of a declared disaster in a developed country.

j. Educational Scholarships

A public fund established for charitable purposes is, from 1 July 2006, eligible for endorsement as a deductible gift recipient (DGR) by the Commissioner if its sole purpose is to provide money for scholarships, bursaries or prizes to which s 30-37 applies.

A scholarship, bursary or prize is one which:

- may only be awarded to Australian citizens, or permanent residents of Australia, within the meaning of the *Australian Citizenship Act 1948*;
- is open to individuals or groups of individuals throughout a region of at least 200,000 people, or throughout at least an entire state or territory;
- promotes recipients' education in either or both of:
 - pre-school courses, primary courses, secondary courses or tertiary courses,
 - educational institutions overseas, by way of study of a component of one of the above courses, and
- is awarded on merit or for reasons of equity (e.g. for students who are experiencing financial disadvantage or hardship).

Scholarships and bursaries are ongoing or one-off benefit payments for school fees, textbooks and related educational expenses such as uniforms or travel. A prize is an award of money or property that is usually conferred for reasons of merit such as academic achievement, but may also be for reasons of equity.

3.0 TAX-DEDUCTIBLE DONATIONS BY INDIVIDUAL TAXPAYERS

This section of the paper analyses the nature and extent of tax-deductible donations made by Australian individual taxpayers in their 2005 income tax returns to DGRs.

As mentioned in the Executive Summary, the information presented is based on the amount and type of tax-deductible donations made and claimed by Australian individual taxpayers to DGRs for the period 1 July 2004 to 30 June 2005. This information has been extracted mainly from the ATO's publication *Taxation Statistics 2004-05*.¹³ The 2005 report is the latest report that has been made publicly available.

This study uses information based on published ATO material and represents only the extent of tax-deductible donations made and claimed by Australian taxpayers to DGRs at Item *D9 Gifts or Donations* in their individual income tax returns for the 2005 income year that have been processed by 31 October 2006. The data does not include corporate taxpayers as there is no provision on corporate taxpayers' tax returns to disclose gifts made to DGRs. Expenses such as raffles, sponsorships, fundraising purchases (e.g., sweets, tea towels, special events) or volunteering are generally not deductible as 'gifts'. The Giving Australia Report estimated 2005 year total giving with a more liberal definition of 'gift' at \$11 billion (excluding Tsunami donations).¹⁴

4.0 INDIVIDUAL TAXPAYER DONATIONS

Table 1 in the Appendix to this paper (which forms the basis of Charts 1 to 7) contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their 2003 income tax return.

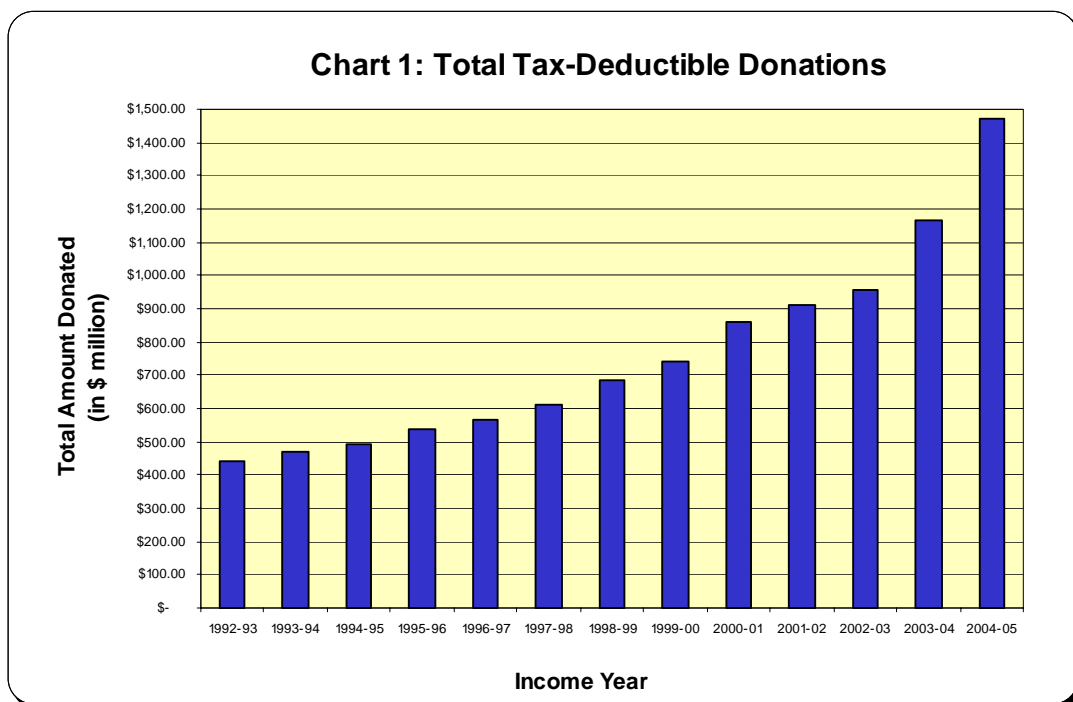
According to ATO Statistics, in 2004-05, a total of 4,312,815 individual taxpayers made and claimed tax-deductible donations to DGRs totalling \$1,471.94 billion. This represented an increase of \$307.32 million (or 26.39%) from the previous income year of \$1.164 billion.

As a comparison, in 2005, Australian taxpayers claimed \$1,219 million (or 5.3%) in tax agent fee deductions. Gift deductions represent 6.5% of all personal taxpayer deductions.

Chart 1 Total Tax-Deductible Donations shows a ten-year comparison of the total amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers between the 1994-95 and 2004-05 income years.

¹³ The data represents information in tax returns for the 2003-04 year processed by the ATO as at 31 October 2005. It also includes some additional data supplied directly by the ATO to CPNS researchers.

¹⁴ Report available at <http://www.bus.qut.edu.au/research/cpns/whatweresearch/documents/GivingAustraliaFindings.pdf>



As Chart 2 below depicts, using a base year of 1978-79, the actual total tax-deductible donations made by Australian taxpayers is far exceeding the inflation-adjusted total tax-deductible donation as measured by the CPI.

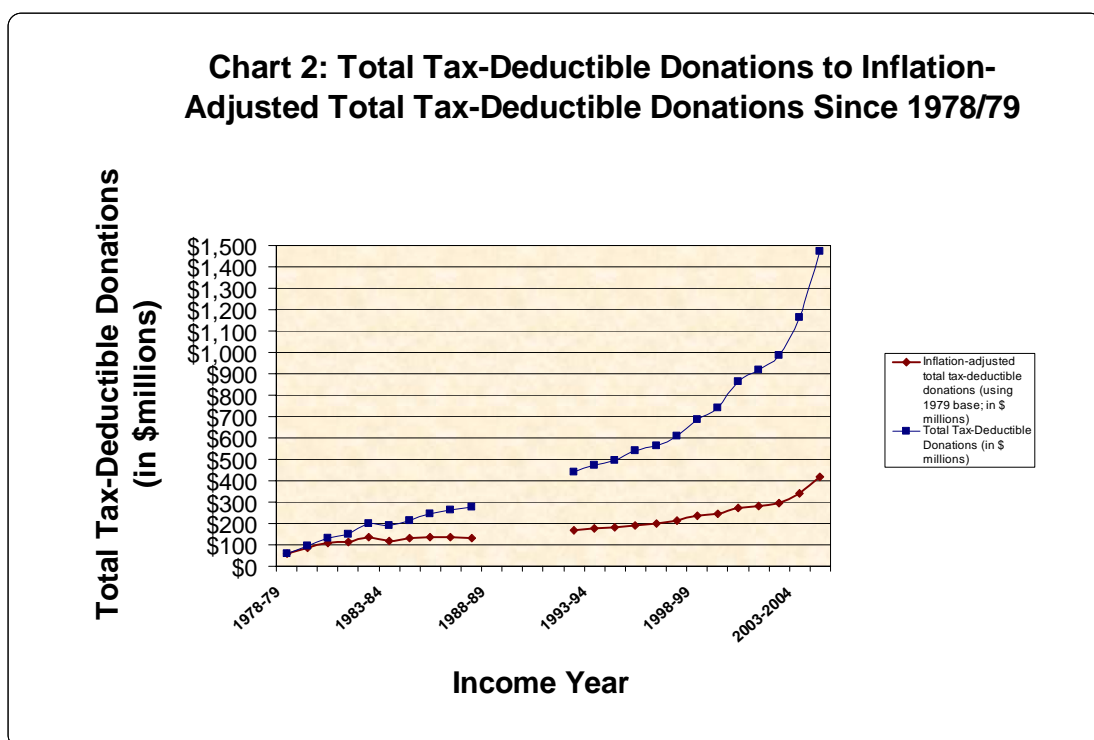


Chart 3 Percentage of Donating Taxpayers to Total Taxpayers reveals that in 2004-05, 4,312,815 Australian taxpayers (or 38.38% of the Australian taxpaying population) made and claimed tax-deductible donations. Put another way, more than one in three Australian taxpayers donated monies to DGRs and claimed tax deductions for these amounts during the 2005 income year. This percentage has been increasing slightly over the past thirteen years

and is at its highest level since 1992-93.

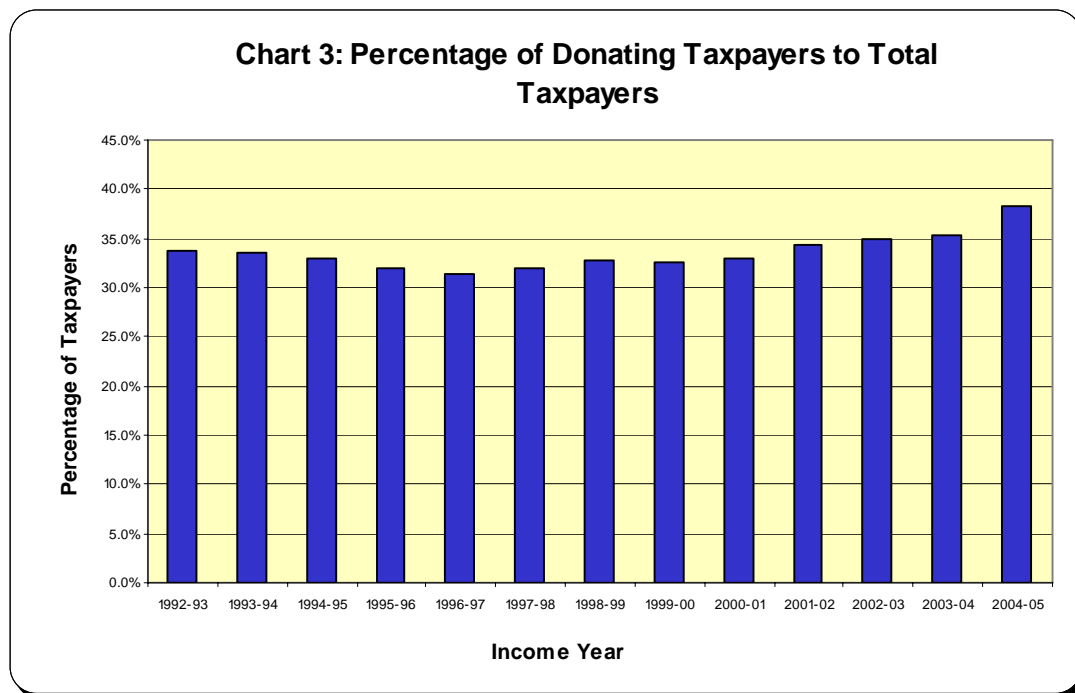
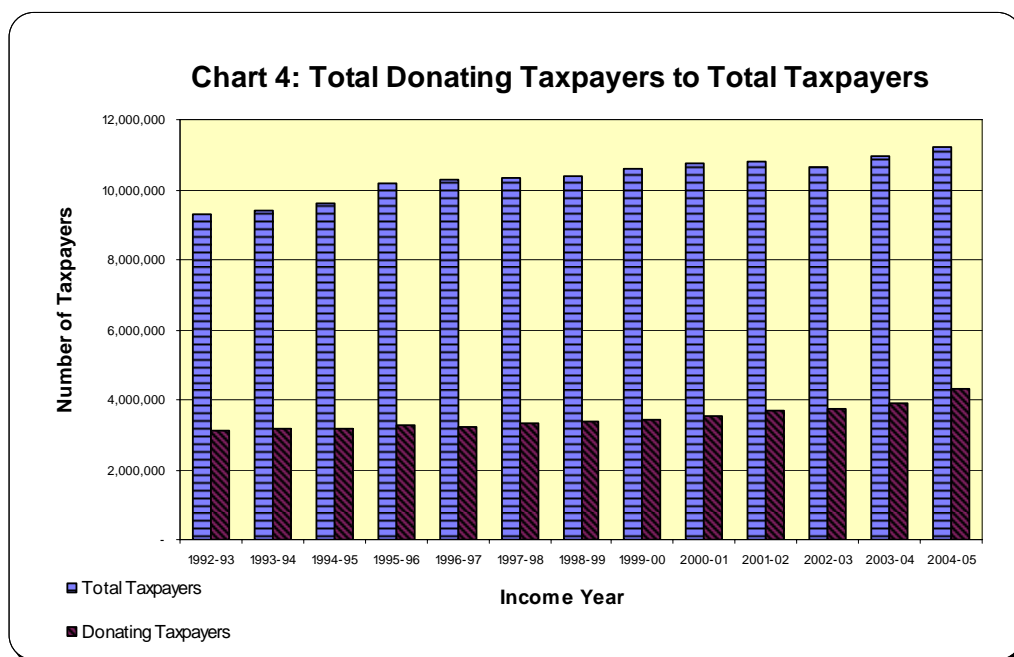


Chart 4 Total Donating Taxpayers to Total Taxpayers shows the number of taxpayers who claimed tax-deductible donations to DGRs against the total number of taxpayers in 2004-05.

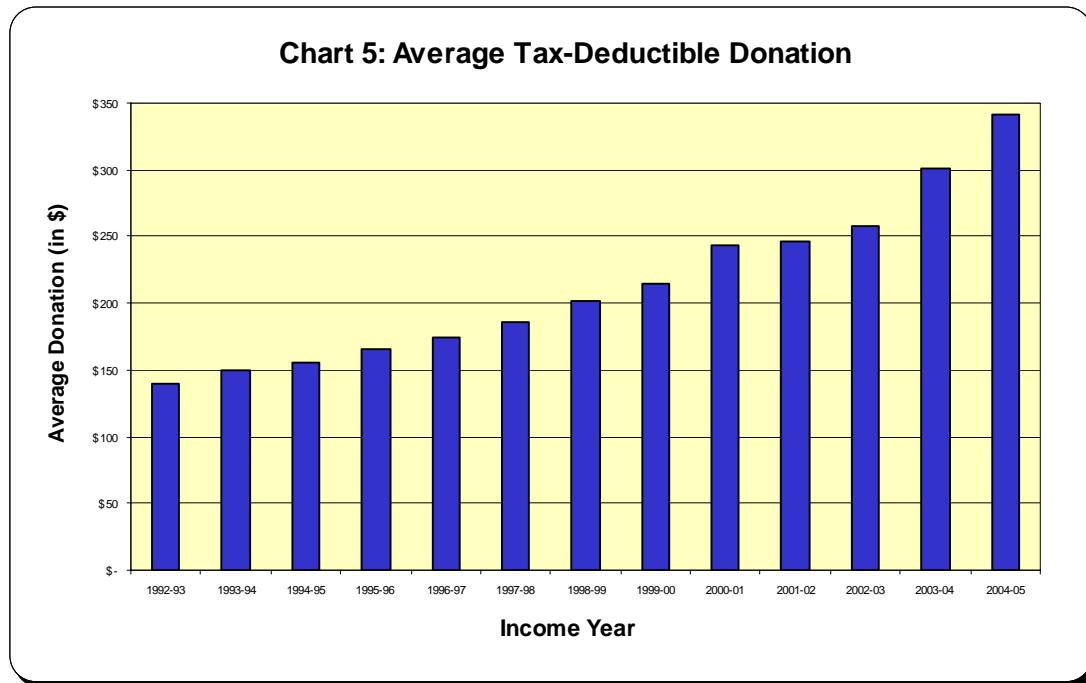
The chart reveals that since 1994-95, the number of donating Australian taxpayers has increased from 3,170,370 to 4,312,815, whilst, in comparison, the total number of taxpayers (both taxable and non-taxable) has increased from 32.96% to 38.38% for the same period.

This leads to the conclusion that the number of donating taxpayers is more than keeping pace with the total numerical growth of Australian individual taxpayers.



The average tax-deductible donation made and claimed by Australian taxpayers to DGRs for 2004-2005 was \$341.29 (compared to \$300.61 the previous income year). This represented an increase of \$40.68 (or 26.39 %) since the previous income year.

Chart 5 Average Tax-Deductible Donation shows a ten-year comparison of the average tax-deductible donation made to DGRs and claimed by individual Australian taxpayers between the 1994-95 and 2004-05 income years.



As Chart 6 below depicts, using a base year of 1978-79, the actual average tax-deductible donation is far exceeding the inflation-adjusted average tax-deductible donation using 1978-1979 as a base.

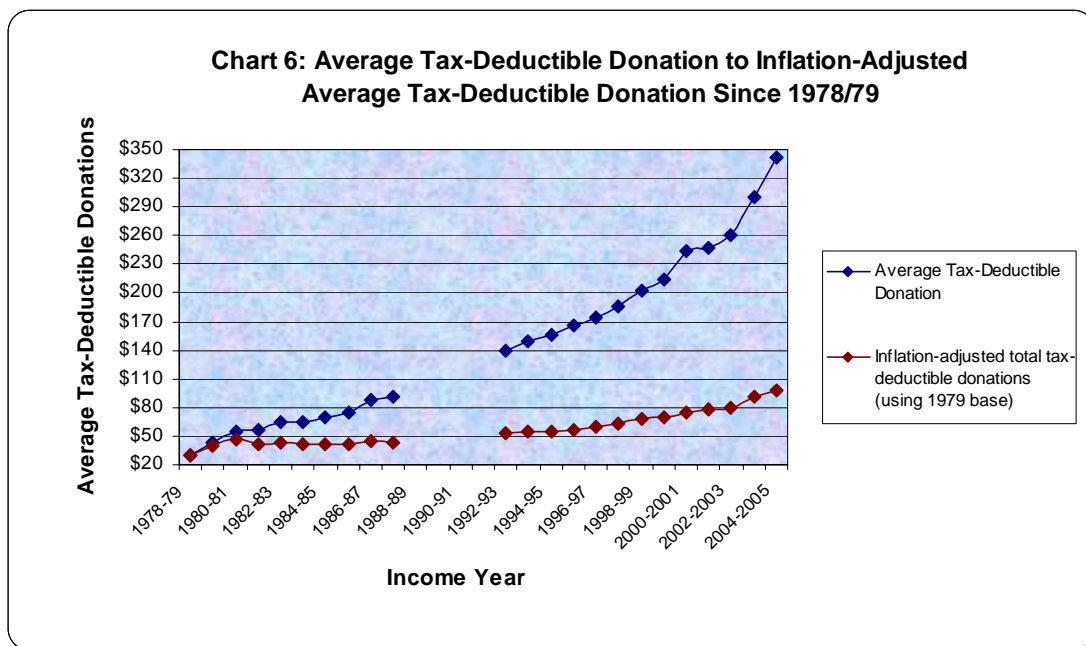
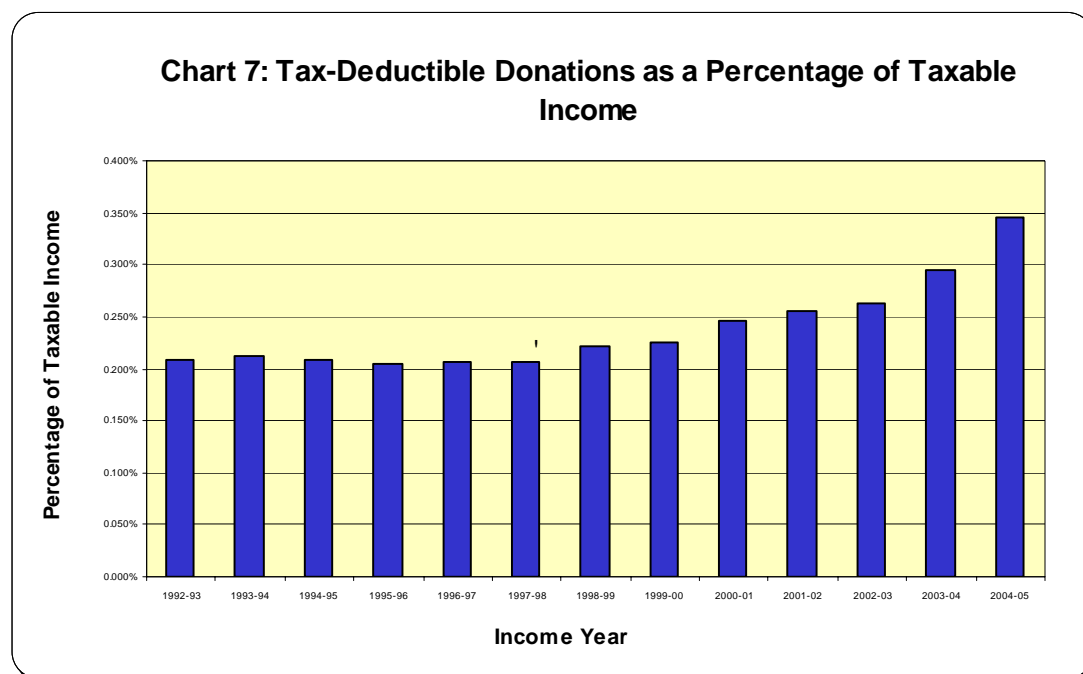


Chart 7 Tax-Deductible Donations as a Percentage of Taxable Income graphs the percentage of taxable income that Australians donate to DGRs and claim as tax deductions. The chart reveals that in 2004-05, on average, those individual taxpayers who make tax-deductible donations to DGRs donate approximately 0.32896% of their taxable income. Once again, this trend has been increasing slightly over the past eleven years and is at its highest level since 1992-93.



Summary and Discussion

Based on the data extracted from Table 1 in the Appendix (comprising Charts 1 to 7), our analysis reveals that Australians are claiming more tax-deductible donations to DGRs than ever before.

The amount of tax-deductible donations made and claimed by Australian taxpayers in 2004-05 was at record highs. The total dollar amount of tax-deductible donations made and claimed by Australian taxpayers to DGRs in 2005 of \$1,471.94 million represented an increase of \$307.32 million (or 26.39 %) from 2004 (\$1.1 Billion).

Since 1994-95, tax-deductible donations have been steadily increasing by an average rate of 10.44% per annum over a ten year period. However, in 2001, total tax-deductible giving increased by 16.74 % from the previous year. In 2004 and 2005, giving levels have remained consistently high. The incentives announced by the Prime Minister to encourage philanthropy in recent years appear to be having an effect.

As indicated earlier the Tsunami disaster appeal in late 2004 also had an impact of giving. Deductible gifts appear to have increased because of donations to the appeal as well as further deductible gifts inspired by the publicity around the philanthropic issues involved.

5.0 INDIVIDUAL TAXPAYER DONATIONS BY GENDER

Table 2 in the Appendix to this paper (which forms the basis of Charts 8 to 11) contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their 2004 income tax return according to gender.

Chart 8 Total Tax-Deductible Donations by Gender reveals that in 2004-05, 2,237,025 male taxpayers (representing 59.56% of the total) made and claimed tax-deductible donations to

DGRs totalling \$876.72 million. 2,075,790 female taxpayers made and claimed tax-deductible donations to DGRs totalling \$595.22 million in 2005 (representing 40.44% of the total).

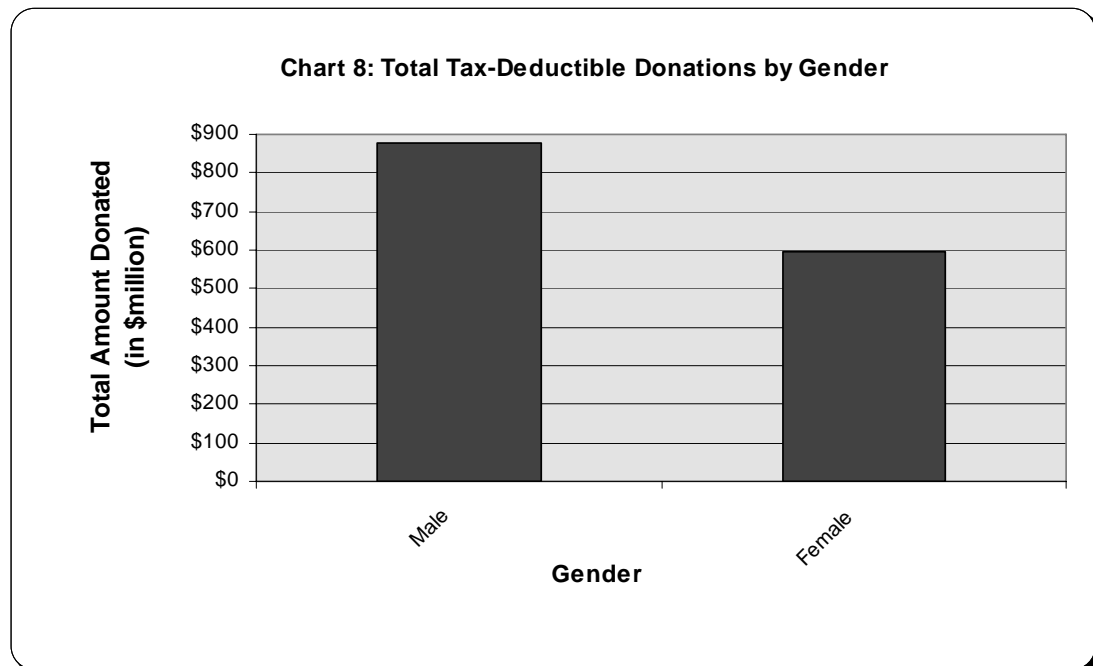
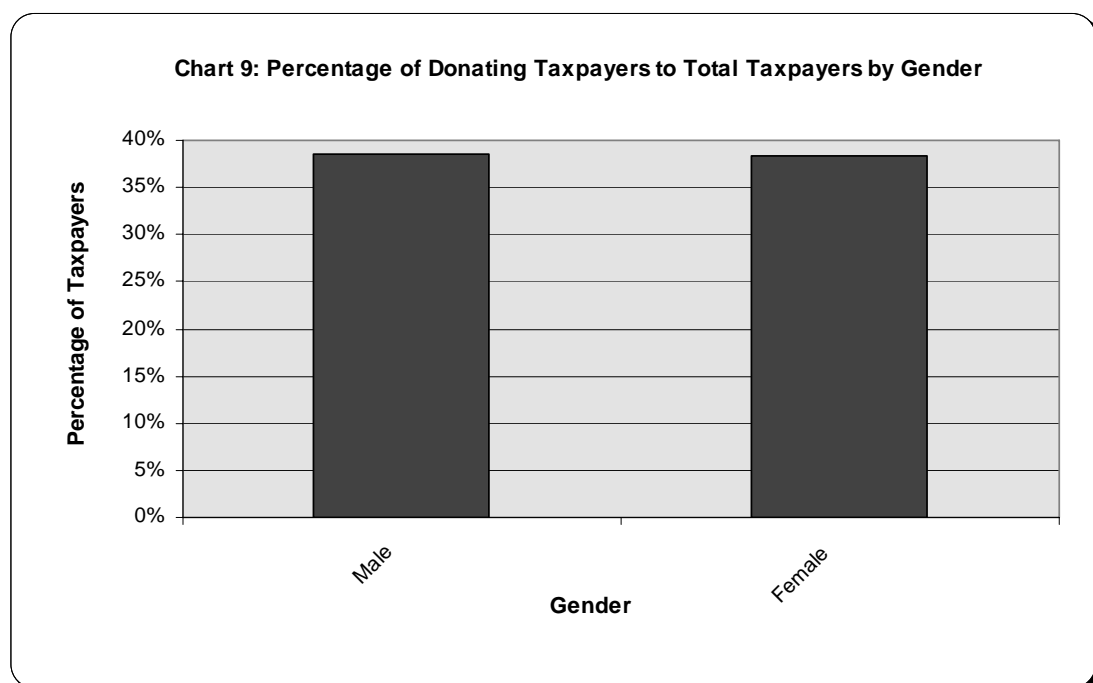


Chart 9 Percentage of Donating Taxpayers to Total Taxpayers by Gender reveals that in 2004-05, 38.44% of Australian male taxpayers and 38.32% of Australian female taxpayers made and claimed tax-deductible donations to DGRs. The national average was 38.38 %.



In terms of average tax-deductible donations per state, *Chart 10 Average Tax-Deductible Donation by Gender* reveals that the average tax-deductible donation made and claimed to

DGRs in 2005 by Australian male taxpayers was \$391.91 and by Australian female taxpayers was \$286.74.

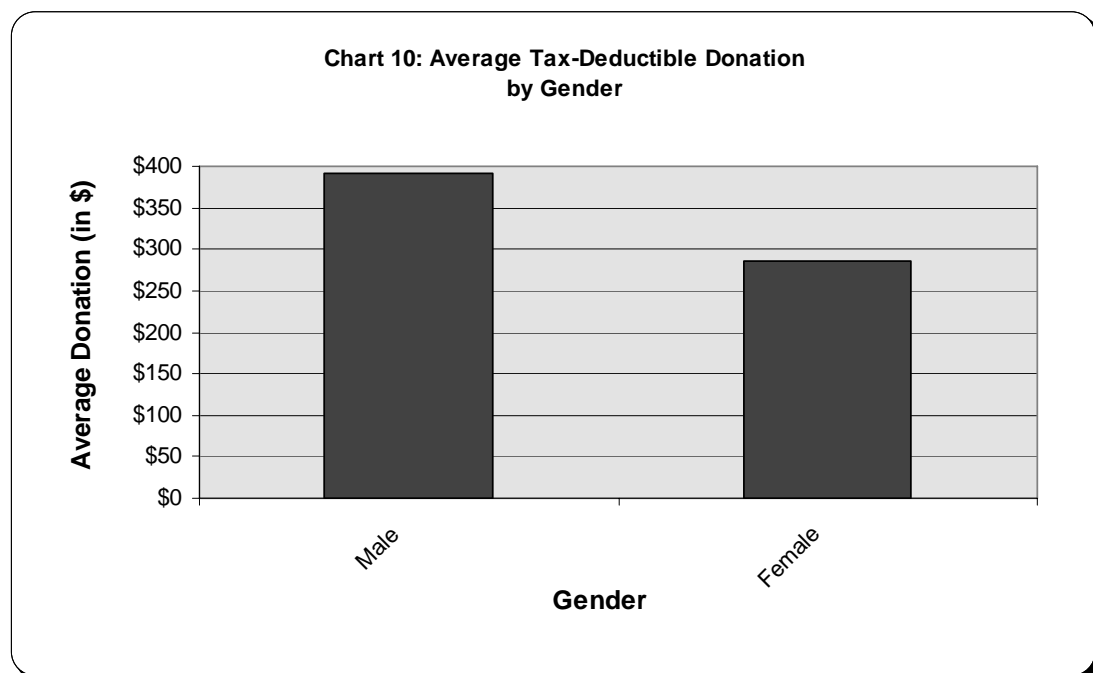
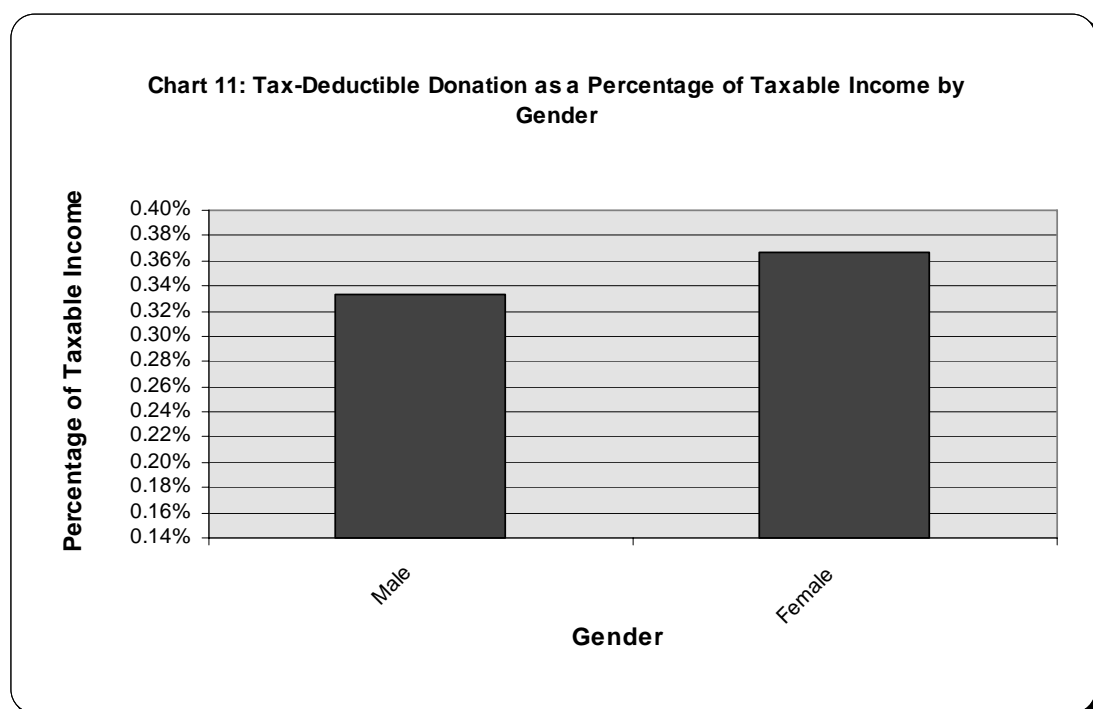


Chart 11 Tax-Deductible Donations as a Percentage of Taxable Income by Gender graphs the amount of tax-deductible donations made relative to the taxpayers' taxable income. The chart reveals that in 2004-05, on average, that tax-deductible donations to DGRs made up approximately 0.33279% of the taxable income of male Australian taxpayers and 0.36718% of the taxable income of Australian female taxpayers.



Summary and Discussion

Based on the data extracted from Table 2 in the Appendix (comprising Charts 8 to 11), our analysis reveals that there is little difference in the amount of tax-deductible giving between male and female Australian taxpayers.

Whilst more male taxpayers made and claimed tax-deductible donations to DGRs than female taxpayers (both in terms of total and average tax-deductible donations), female taxpayers donated more to DGRs when expressed as a percentage of their respective taxable incomes (0.33279% for males and 0.36718% for females).

In terms of donating taxpayers as a percentage of total taxpayers expressed by gender, our analysis revealed very little difference between the percentages of donating male taxpayers compared with donating female taxpayers.

In 2004-05, 38.44% of male taxpayers made and claimed tax-deductible donations to DGRs compared to 38.32% of Australian female taxpayers. The national average was 38.38%.

6.0 INDIVIDUAL TAXPAYER DONATIONS BY STATE OF RESIDENCE

Table 3 in the Appendix to this paper (which forms the basis of Charts 12 to 15) contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their 2004 income tax returns according to their state of residence.

Chart 12 Total Tax-Deductible Donations by State of Residence reveals that in 2004-05, New South Wales taxpayers made the most tax-deductible donations to DGRs.

In 2004-05, a total of 1,451,495 taxpayers in New South Wales claimed tax-deductible donations to DGRs totalling \$623.89 million. This amount represented almost 43 % of the national total. The next largest donor state was Victoria with 1,164,360 taxpayers who made and claimed tax-deductible donations to DGRs of \$394.44 million, representing 26.8 % of the national total.

More than 783,205 Queensland taxpayers donated a total of \$189.9 million (representing 12.9% of the national total). Together, these three states accounted for 82% of total tax-deductible donations made to DGRs in 2004-05.

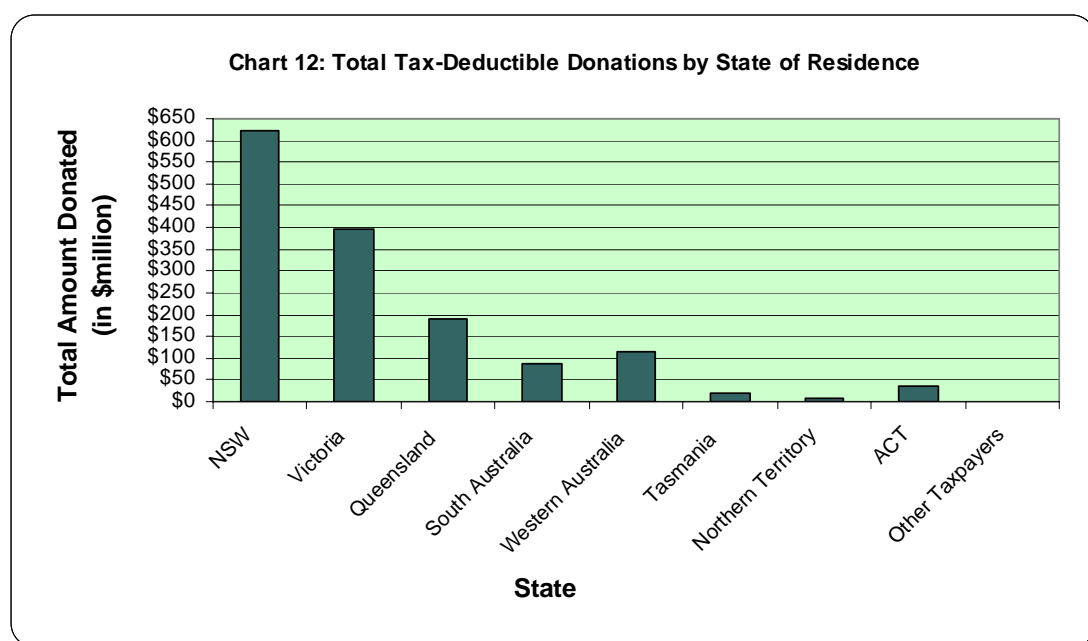
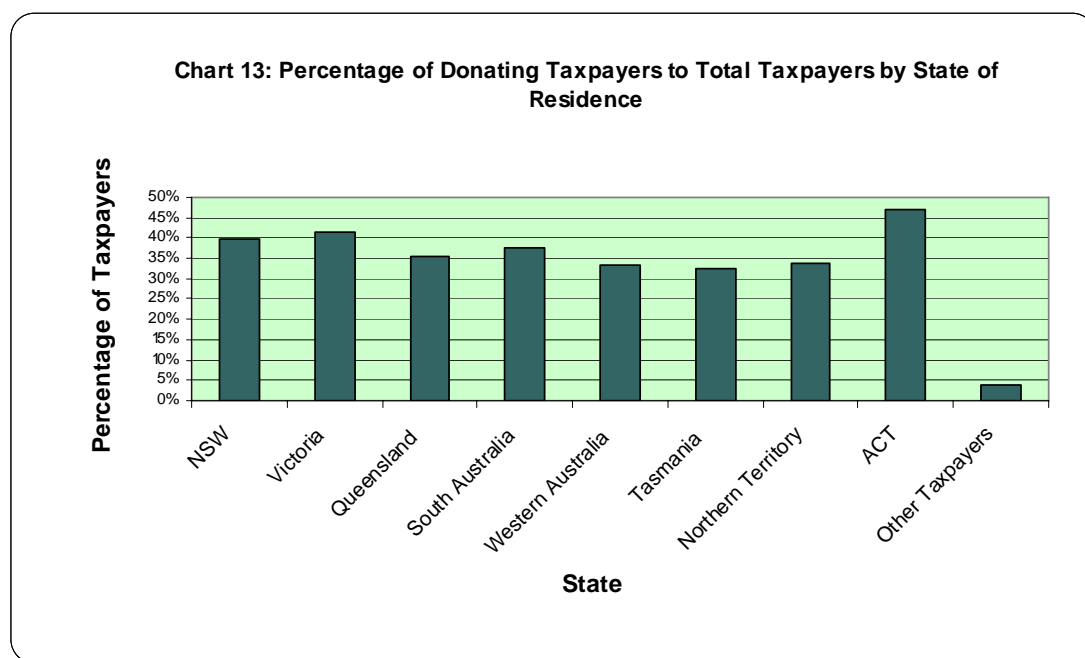


Chart 13 Percentage of Donating Taxpayers to Total Taxpayers by State of Residence reveals that 47.2% of total taxpayers in the Australian Capital Territory made and claimed tax-deductible donations to DGRs in 2004. 41.56% of Victorian taxpayers made and claimed tax-deductible donations to DGRs, followed by New South Wales with 39.57% and South Australia with 37.49%. The national average was 38.38%. 35.59% of Queensland taxpayers made and claimed tax-deductible donations to DGRs. These percentages across each state of residence have not varied significantly over the past six years.



In terms of average tax-deductible donations per state, *Chart 14 Average Tax-Deductible Donation by State of Residence* reveals that in 2004-05, non-residents (described as “other taxpayers”) made and claimed the largest average tax-deductible donation to DGRs of \$757.59. Other taxpayers are described by the ATO as non-residents for Australian taxation purposes.

In terms of Australian residents, our analysis reveals that New South Wales taxpayers made and claimed the largest average tax-deductible donation to DGRs of \$429.83 compared with the national average of \$341.29. Australian Capital Territory taxpayers made the next highest average tax-deductible donation to DGRs with \$369.67, followed by Victoria with an average tax-deductible donation of \$338.76. Queensland taxpayers made and claimed an average tax-deductible donation in 2005 of \$242.47.

**Chart 14: Average Tax-Deductible Donation
by State of Residence**

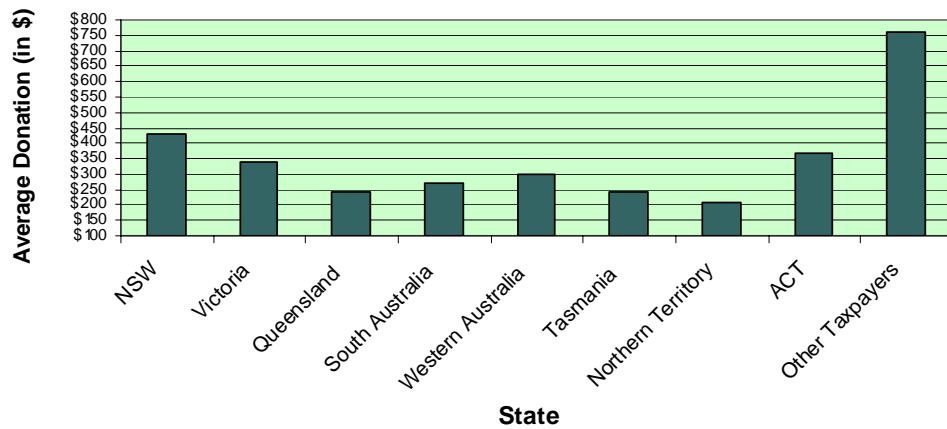
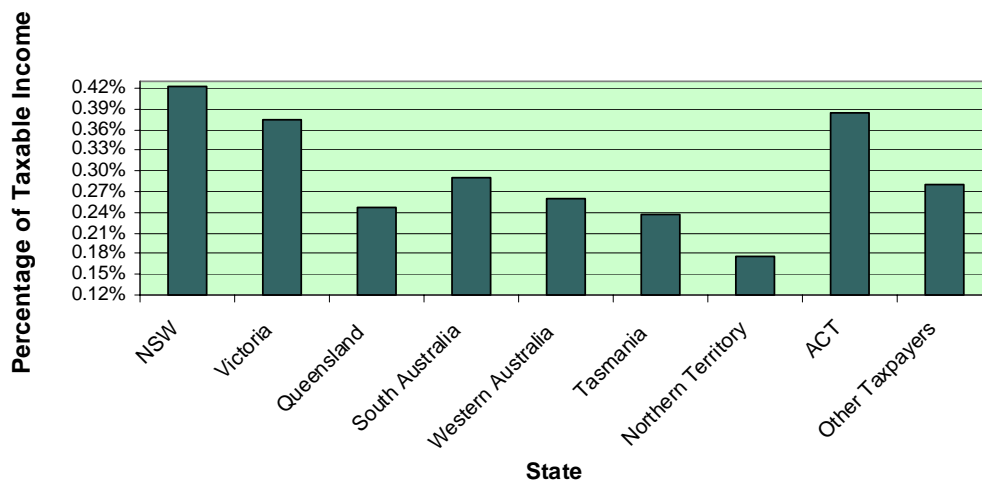


Chart 15 Tax-Deductible Donations as a Percentage of Taxable Income by State of Residence graphs the amount of tax-deductible donation relative to the taxable income of taxpayers across each state.

The chart reveals that in 2004-05, New South Wales taxpayers donated approximately 0.42346% of their taxable income, followed by Australian Capital Territory with 0.38343% of their taxable income to DGRs, compared to the national average of 0.34576%. Victoria taxpayers donated 0.37321%. Queensland taxpayers donated an average of 0.24618% of their taxable income to DGRs.

**Chart 15: Tax-Deductible Donation as a Percentage of Taxable Income by
State of Residence**



Summary and Discussion

Based on the data extracted from Table 3 in the Appendix (comprising Charts 9 to 15), our analysis reveals that New South Wales taxpayers made and claimed the largest amount of tax-deductible donations to DGRs in 2005. Taxpayers from this state also made the highest average tax-deductible donation to DGRs in 2005.

Taxpayers residing in the Australian Capital Territory have in recent years had the highest percentage of deductible donations as a percentage of their taxable income. However, New South Wales at 0.42346% exceeded the ACT with 0.38343 % and Victoria closely followed with 0.37321%.

Again, since the establishment of the PPFs in 2001, there has been a marked increase in both total and average tax-deductible donations made by taxpayers residing in both New South Wales and Victoria.

7.0 INDIVIDUAL TAXPAYER DONATIONS BY INCOME BAND

Table 4 in the Appendix to this paper (which forms the basis of Charts 16 to 19) contains data relating to the amount of tax-deductible donations made and claimed to DGRs by individual Australian taxpayers in their 2005 income tax return according to income bands. The income band of less than \$10,000 includes taxpayers whose taxable income is less than \$10,000 as well as taxpayers who have a negative taxable income (i.e. less than \$Nil, due to the fact that their allowable deductions equalled or exceeded their assessable income).

Chart 16 Total Tax-Deductible Donations by Income Band reveals that in 2004-05, individual Australian taxpayers in the \$50,000-\$99,999 income band made and claimed the largest amount of total tax-deductible donations to DGRs in their 2005 income tax returns totalling \$419.42 million. This represented slightly more than 28.49% of the total tax-deductible donations made and claimed by individual Australian taxpayers in that year.

The next largest amount of tax-deductible donations made to DGRs in 2004-05 came from taxpayers in the \$100,000-\$499,999 income band who made and claimed tax-deductible donations to DGRs totalling \$309.99 million. This represented nearly 21.06% of the total.

In 2005, a total of 8,900 taxpayers with a taxable income in excess of \$1 million made and claimed tax-deductible donations to DGRs totalling \$176.57 million. This represented over 12% of the total tax-deductible donations made and claimed by individual Australian taxpayers in that year.

It is interesting to note in the 1999-2000 income year (the year before the establishment of the PPFs), taxpayers with a taxable income in excess of \$1 million made tax-deductible donations to DGRs totaling \$37.5 million. In 2001, taxpayers in this income band donated \$118 million. In 2002 taxpayers earning in excess of \$1 million donated \$75 million and in 2003, these taxpayers donated \$67 million. There is a significant increase in these deductions and again probably in large part due to PPFs.

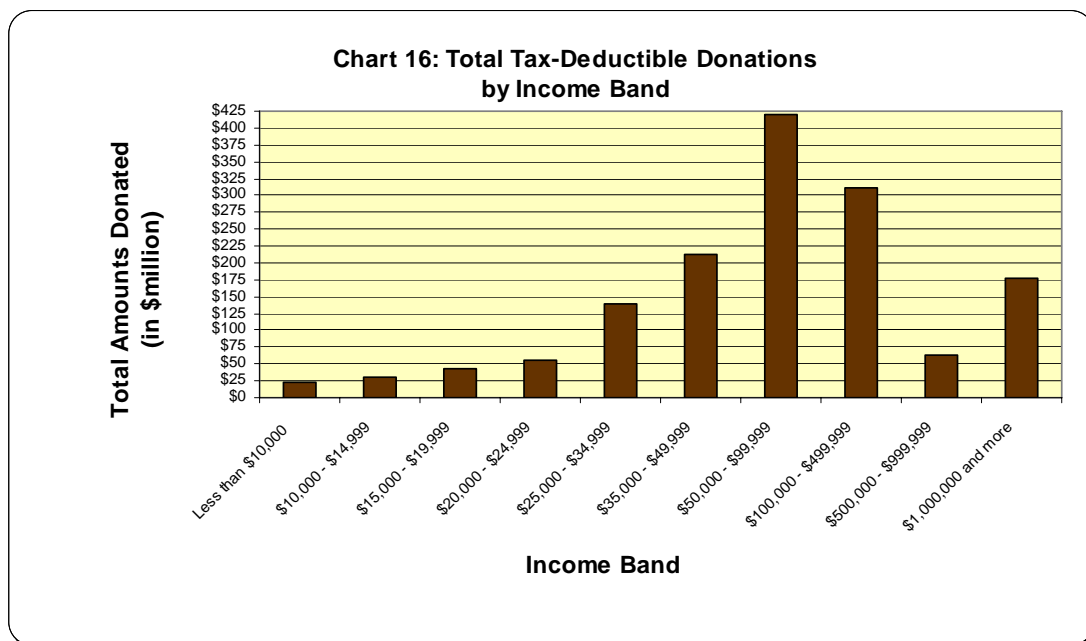
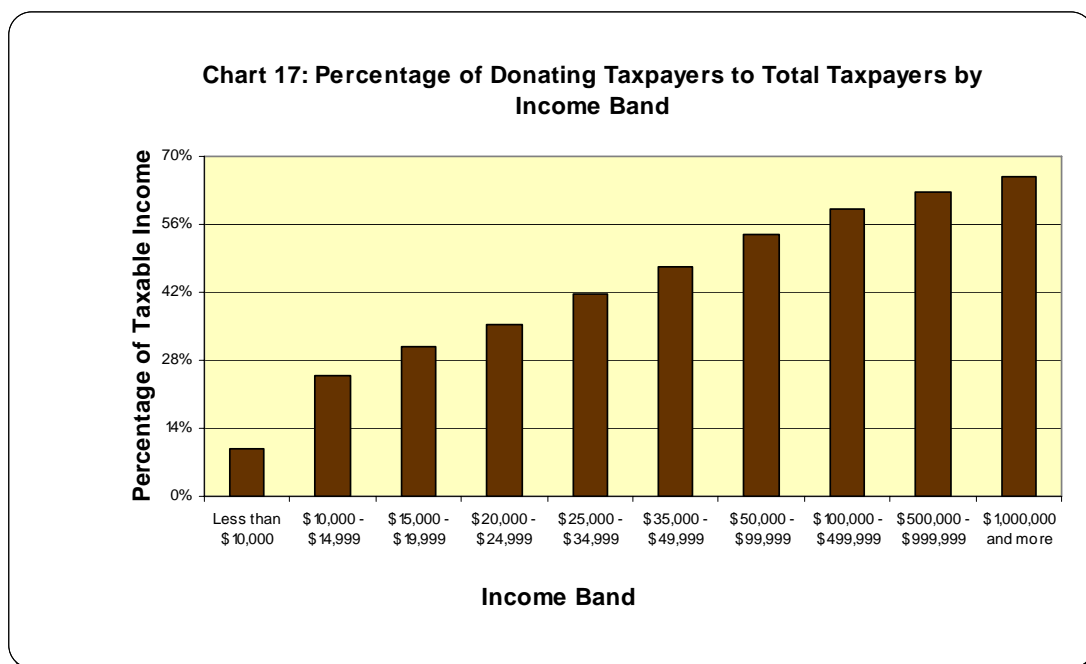


Chart 17 Percentage of Donating Taxpayers to Total Taxpayers by Income Band shows the percentage of individual taxpayers to total taxpayers who made and claimed tax-deductible donations by income in 2004-05. The chart reveals that 53.76% of taxpayers in the \$50,000-\$99,999 income band made and claimed tax-deductible donations to DGRs in 2005. This compares to the national average of 38.38%.

When analysing the \$100,000-\$499,999 income band taxpayers, this percentage increases to 59.21%. A total of 65.96% of taxpayers earning over \$1 million made and claimed tax-deductible donations to DGRs in 2005, about one and a half times the national average of 38.38%.



In terms of average tax-deductible donations per income band, *Chart 18 Average Tax-Deductible Donation by Income Band* reveals that in 2004-05, the average tax-deductible

donation made and claimed by taxpayers in the \$50,000-\$99,999 income band in 2005 was \$320.47. This compared to the national average of \$341.29.

The average tax-deductible donation made and claimed by individual taxpayers to DGRs in the \$100,000-\$499,999 income band in 2005 was \$1,123.24.

The average tax-deductible donation made and claimed by individual taxpayers to DGRs in the \$500,000-\$999,999 income band in 2005 was \$7,774.76.

In 2004-05, taxpayers with a taxable income in excess of \$1 million made and claimed an average tax-deductible donation to DGRs of \$59,350.59. In 1995-96, these taxpayers made an average tax-deductible donation of \$22,328.

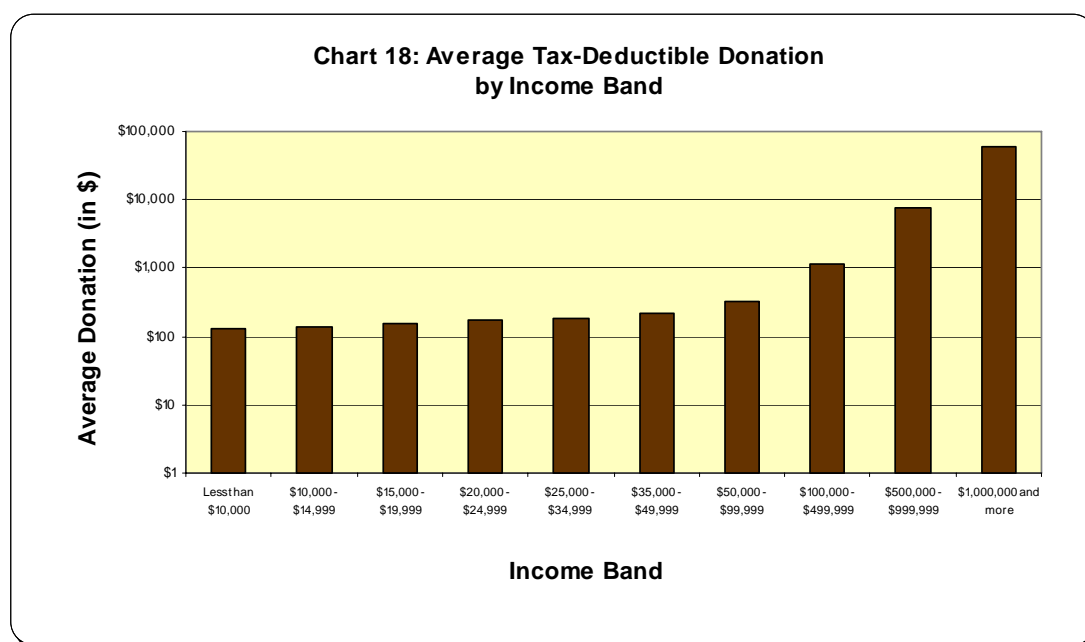


Chart 19 Tax-Deductible Donations as a Percentage of Taxable Income by Income Band graphs the amount of tax-deductible donation relative to the taxable income of taxpayers across each income band. The chart reveals that in 2004-05, the average tax-deductible donation made and claimed by taxpayers in the \$50,000-\$99,999 income band represented 0.27445% of their taxable income, which is lower than the national average of 0.34589%.

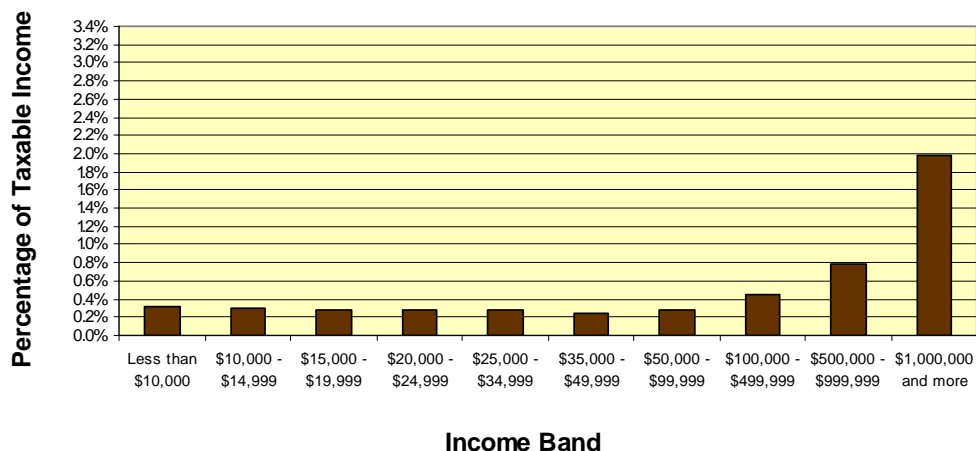
Taxpayers in the \$35,000-\$49,999 income band donated 0.25139% of their taxable income to DGRs, whilst taxpayers in the \$25,000-\$34,999 income band donated 0.27468% of their taxable income to DGRs.

Whilst the average tax-deductible donation made and claimed by taxpayers with a taxable income of less than \$10,000 was only \$130.24, these taxpayers donated an average of 0.32094% of their taxable income to DGRs, which is higher proportionate to their taxable income than those taxpayers in all bands up to \$100,000.

At the higher end of the income scale, support is found for the contention that the more one earns, the greater the tax-deductible gift made. For instance, taxpayers in the \$500,000-\$999,999 income band made and claimed an average tax-deductible donation in 2005 equivalent to 0.78087% of their taxable income.

Similarly, taxpayers earning in excess of \$1 million made an average tax-deductible donation to DGRs equivalent to 1.98389% of their taxable income, more than five times the national average.

Chart 19: Tax-Deductible Donations as a Percentage of Taxable Income by Income Band



Summary and Discussion

Based on the data extracted from Table 4 in the Appendix (comprising Charts 16 to 19), our analysis supports the general contention that the greater the taxable income, the greater the amount of tax-deductible donations made to DGRs and claimed by Australian taxpayers.

Our findings revealed that individual Australian taxpayers in the \$50,000-\$99,999 income band made and claimed the greatest amount of total tax-deductible donations to DGRs in 2005. The amount donated constituted more than 28.49% of the total tax-deductible donations made and claimed by individual Australian taxpayers in 2004-05.

In terms of taxpayers with taxable incomes of more than \$1 million, a total of 4,510 taxpayers made and claimed tax-deductible donations to DGRs in 2004 totalling \$176.57 million. This represented over 12% of the total tax-deductible donations made and claimed by individual Australian taxpayers in that particular income year.

Similarly, in terms of donating taxpayers, our analysis revealed that the greater the taxable income, the more likely that taxpayers would make tax-deductible donations to DGRs. For example, in 2004-05, 9.92% of taxpayers (approximately one in ten taxpayers) with a taxable income of less than \$10,000 made and claimed tax-deductible donations to DGRs. This figure steadily rises throughout each income band reaching 66% (almost two in every three taxpayers) with taxable incomes of greater than \$1 million.

A similar story unfolds when one analysis the amount of tax-deductible donations made expressed as a percentage of taxable income. Once again, our analysis supports the contention that taxpayers generally make more tax-deductible donations to DGRs as their taxable income increases. For instance, in 2004-05, taxpayers with a taxable income of less than \$10,000 made and claimed an average tax-deductible donation to DGRs equivalent to 0.32094% of their taxable income.

At the other end of the income scale, taxpayers with a taxable income in the \$500,000-\$999,999 income band made and claimed an average tax-deductible donation to DGRs equivalent to 0.78087% of their taxable income, whilst taxpayers with a taxable income in excess of \$1 million made and claimed an average tax-deductible donation to DGRs equivalent to 1.98% of their taxable income.

In terms of average tax-deductible donations per income band, our analysis revealed that in 2004-05, taxpayers with a taxable income in excess of \$1 million made and claimed an average tax-deductible donation to DGRs of \$59,350.59. This has risen dramatically since 1999-2000 (the year before the establishment of the PPFs) where the average was \$37,810.

8.0 TAXPAYER DONATIONS BY INDUSTRY CLASSIFICATION

Table 5 in the Appendix to this paper (which forms the basis of Charts 20 to 23) contains data relating to the amount of tax-deductible donations made and claimed by individual Australian taxpayers carrying on a business as a sole trader in their 2004 income tax return according to their Australian New Zealand Standard Industry Classification (ANZSIC).

According to the Australian Taxation Office Statistics for 2004-05, 85.3% of total taxpayers were salary and wage earners.

In the 2005 individual income tax return, an individual carrying on a business as a sole trader is required to complete the *Business and Professional Items Schedule* (comprising Items P1 to P19). Item P2 requires the taxpayer to provide a brief description of their main business or professional activity and classify the industry in which the business operates (Label A).

This industry classification is based on the ANZSIC system. The ANZSIC codes, numbered 1110 to 99070, form the basis of the following analysis. The ANZSIC code does **not** correlate to the taxpayer's occupation code (Item 1, Label X). The following analysis is based on data collected from taxpayers who operate a business as a sole trader. It does **not** capture information on salary and wage earners (i.e. employees) who work within these industries, nor does it include business taxpayers operating through partnerships, trusts or companies.

Any person who does not enter an ANZSIC code in the *Business and Professional Items Schedule* is automatically assumed to be a "salary and wage earner".

Furthermore, the category *Subsidiary Return Income from P & T* refers to taxpayers who are **not** engaged in businesses as sole traders, but receive distributions from partnerships and trusts (*Item 11 Partnerships and Trusts* in the 2004 tax return). This would include many small businesses structured as partnerships or discretionary trusts as well as distributions received by the individual from professional partnerships, such as accounting and law firms and medical practitioners, whose professional ethics and regulations prohibit them from incorporation.

Chart 20 Total Tax-Deductible Donations by Industry reveals that in 2004-05, 2,454,880 individual Australian salary and wage taxpayers (no other reported business income) made and claimed the greatest tax-deductible donations to DGRs totalling \$463.95 million. Personal taxpayers who reported direct income from investments (for example rental income, interest and dividends) made \$335.71 million in deductible gifts with an average deductible gift of \$401.26.

Excluding *Subsidiary Return Income from P & T* and taxpayers who nominated their industry as being from "investment activities" (\$450.42), the next largest industry group that made and claimed tax-deductible donations to DGRs in 2005 came from sole trader business taxpayers operating within the primary production industry.¹⁵ These taxpayers made and claimed tax-deductible donations of \$66.08 million.

The next largest industry was sole trader business taxpayers operating in the property and business services industry.¹⁶ These taxpayers made and claimed tax-deductible donations to DGRs in 2005 totalling \$41.77 million.

¹⁵ This category includes taxpayers involved in sheep, cattle, pig, dairy and poultry farming, sugar cane growing, fruit growing, forestry and logging, hunting and trapping, marine fishing and aquaculture.

¹⁶ This category includes taxpayers involved in real estate activities, property developers and operators, architects, engineers, surveyors, lawyers, IT businesses, accountants, auditors and bookkeepers and marketing and business management services.

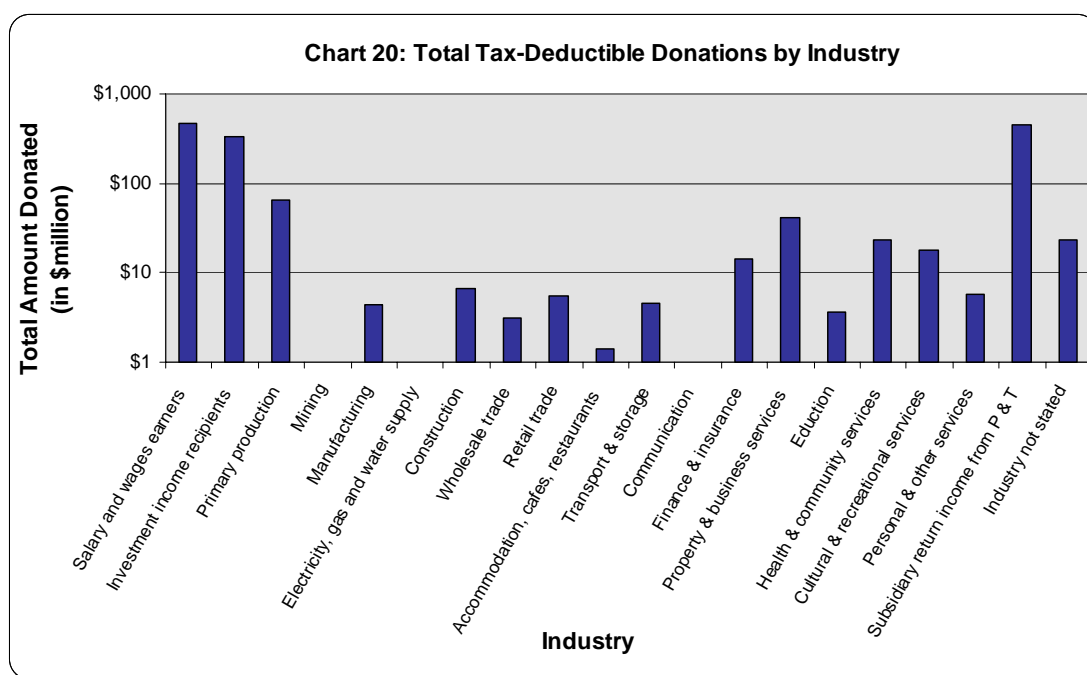


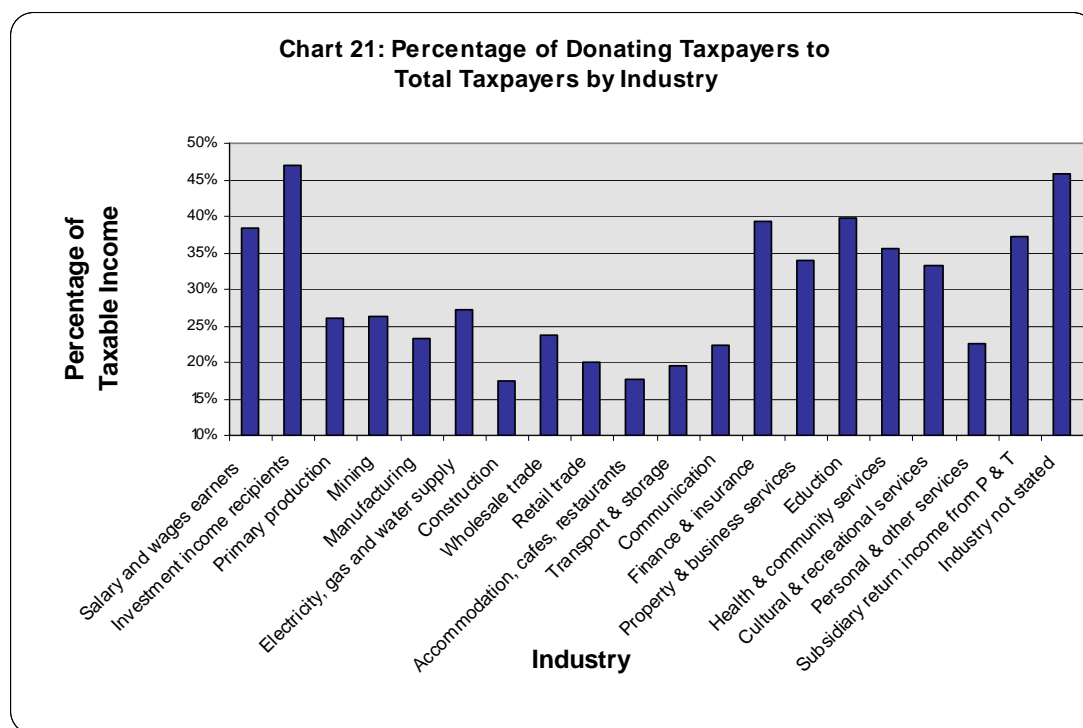
Chart 21 Percentage of Donating Taxpayers to Total Taxpayers by Industry shows the percentage of individual taxpayers who made and claimed tax-deductible donations by ANZSIC in 2004-05. The chart reveals that the highest percentage of donating taxpayers expressed as a percentage of total sole trader business taxpayers came from the taxpayers who nominated their industry as being from “investment activities”¹⁷ with 46.98%. The next highest were sole trader business taxpayers working in the education industry¹⁸ with 39.81%.

At the opposite end of the scale, the industry with the least amount of donating taxpayers was sole trader business taxpayers engaged in the construction industry.¹⁹ Only 0.04% of sole trader business taxpayers working in this sector made and claimed tax-deductible donations to DGRs in 2005. The next lowest donors came from sole trader business taxpayers working within the mining industry 0.16%. This compares to the national average of 38.38%.

¹⁷ This category includes taxpayers who reported direct income from investment (for example, rental income, interest and dividends) and did not report income or loss from a business, partnership or trust on their tax returns.

¹⁸ This category includes taxpayers involved in preschool education, school education and tertiary education.

¹⁹ This category includes taxpayers involved in building construction, site preparation construction, installation trade services, building completion and other construction services.



In terms of average tax-deductible donations by industry code, *Chart 22 Average Tax-Deductible Donation by Industry* reveals that the highest average tax-deductible donations made and claimed by individual sole trader business taxpayers in 2004-05 came from taxpayers engaged in finance and insurance. These taxpayers made an average tax-deductible donation of \$1,152.95.

The next highest came from sole trader business taxpayers engaged in health and community services industry²⁰ who made and claimed an average tax-deductible donation of \$937.52. Sole trader business taxpayers engaged in primary industry made and claimed an average tax-deductible donation in 2005 of \$908.03. The national average was \$341.29.

At the opposite end of the scale, the lowest average tax-deductible donations made and claimed in 2004-05 came from salary and wage earners with \$182.24. Next lowest were sole trader business taxpayers engaged in the construction industry with an average tax-deductible donation of \$202.74, followed by sole trader business taxpayers involved in the manufacturing industry (\$315.98).

²⁰ This category includes taxpayers involved in medical and dental services, such as doctors, hospitals and nursing homes, childcare services, community care services and veterinary services.

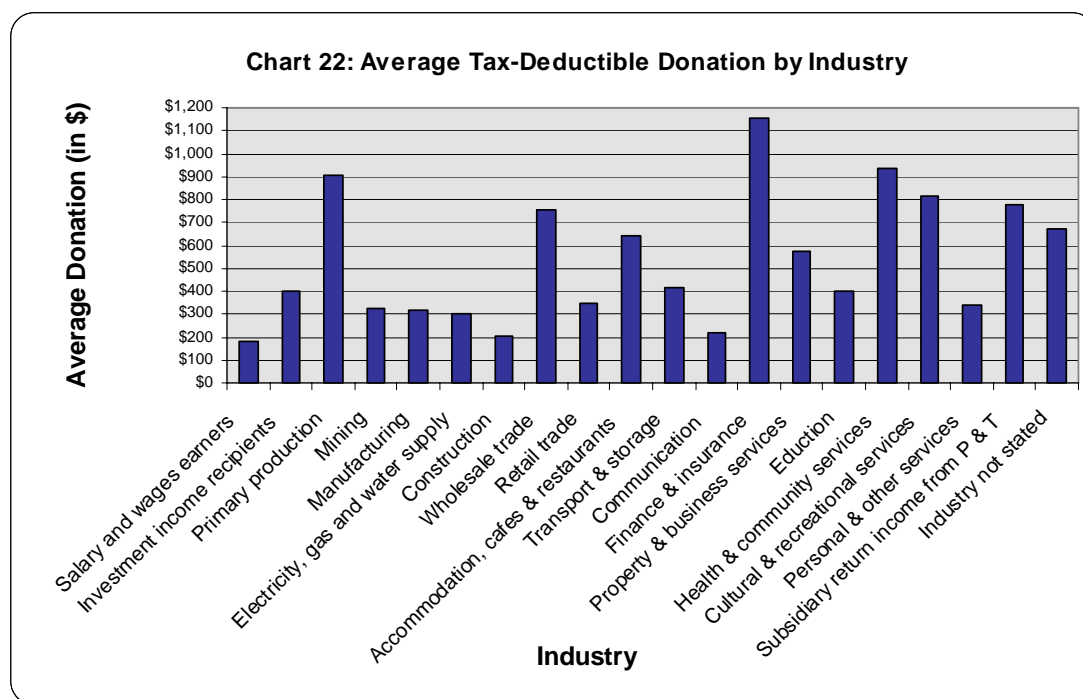


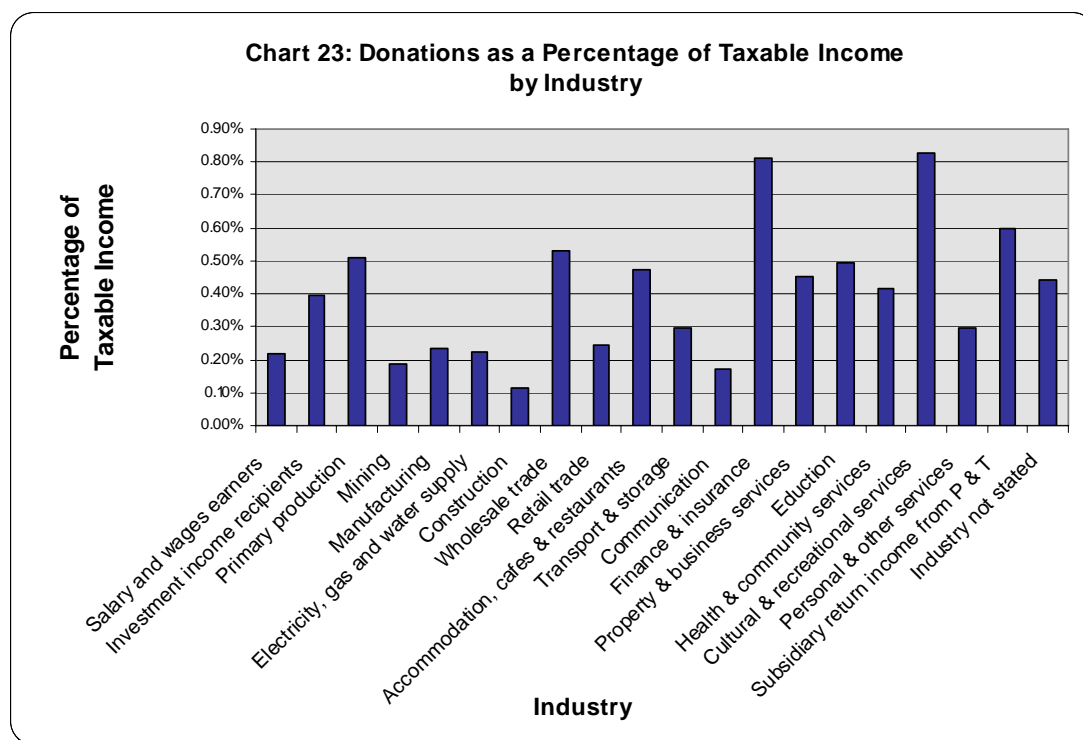
Chart 23 Tax-Deductible Donations as a Percentage of Taxable Income by Industry analyses the amount of tax-deductible donations relative to taxpayers' taxable income by ANZSIC of sole trader business taxpayers. The chart reveals that in 2004-05, sole trader business taxpayers operating in the finance and insurance services donated the equivalent of 0.81279% of their taxable income to DGRs in 2005. This is more than twice the national average of 0.34589%.

Taxpayers operating in the cultural and recreational industry were the next highest donors, donating the equivalent of 0.82791% of their taxable incomes to DGRs in 2005.

At the opposite end of the scale, the industry that made and claimed the least amount of tax-deductible donations to DGRs in 2005 (when expressed as a percentage of taxable income) were sole trader business taxpayers operating in the construction industry. These sole trader business taxpayers donated the equivalent of 0.11191% of their taxable income.

The next lowest were sole trader business taxpayers operating in the communication industry²¹ who donated the equivalent of 0.17427% of their taxable income. This compares to the national average of 0.34589%.

²¹ This includes taxpayers involves in postal services, courier services and telecommunication services.



Summary and Discussion

Based on the data extracted from Table 5 in the Appendix to this paper (which forms the basis of Charts 19 to 23), individual salary and wage earners contributed the most amount of tax-deductible donations of \$463.95 million. This group made a relatively modest average tax-deductible donation of \$182.24, when compared to the national average of \$341.29.

We were also able to ascertain the amount of tax-deductible donations made by sole trader business taxpayers. These included sole traders who carried on a business during 2004-05 and completed the *Business and Professional Items Schedule* (comprising Items P1 to P19) of the 2005 income tax return. This information does not include donations made by taxpayers operating their business through structures including partnerships, trusts and companies.

Our findings indicated that sole trader business taxpayers with the highest total tax-deductible donations and the highest average tax-deductible donations to DGRs in 2003-04 came from the following industries:

- Subsidiary Returns from partnerships and trusts
- Investment Income recipients
- Education
- Primary production
- Property and Business Services

Over the past five years, these industries have consistently been ranked in the top six industry groups that have made significant tax-deductible donations to DGRs.

As many DGRs themselves operate in these industries (e.g. hospitals, welfare agencies, community housing, art museums, art galleries etc.), the evidence presented tends to support the proposition that employees within these industries feel an affinity with such organisations and contribute accordingly.

Taxpayers engaged in primary production also make significant tax-deductible donations to DGRs, which is interesting given the economic difficulties faced by the rural sector.

At the opposite end of the scale, our findings indicated that sole trader business taxpayers with the lowest total tax-deductible donations and the lowest average tax-deductible donations to DGRs came from the following industries.

9.0 LIMITATIONS OF THE STUDY

As with most statistics, the ATO Taxation Statistics have limitations. The following matters should be taken into account when considering this analysis:

- a. This study only uses information based on published ATO material and represents only the extent of tax-deductible donations made and claimed to DGRs by Australian taxpayers at Item *D9 Gifts or Donations* in their individual income tax returns for the 2004-05 income year. This study does not measure the total amounts gifted by Australian taxpayers. It is not known exactly what percentage of taxpayers make tax-deductible donations and forget to claim them in their income tax returns. Many smaller donations may not be claimed. For example, a \$2 door knock receipt may have been lost or forgotten to be claimed at tax time by many taxpayers. However, it is assumed that the larger the donation, the more likely that the donation will be claimed in their tax return by the taxpayer.
- b. It is not known how many erroneous tax-deductible donations are claimed by taxpayers. For instance, in 2002-03, the Australian Taxation Office found 265,547 discrepancies in reviewing individual tax returns.²²
- c. This study is based only on the extent of charitable giving by individual taxpayers. It does not measure the extent of business or corporate giving. The statistics relating to the extent of tax-deductible donations made by non-individual taxpayers (such as companies, trusts, etc.) is not recorded in published ATO data. Unlike the individual income tax return, the partnership, trust and company income tax returns do not have an item equivalent to Item *D9 Gifts or Donations*.
- d. Furthermore, the amount recorded at item *D9 Gifts or Donations* only represents those donations that can be claimed as an income tax deduction. Many individual taxpayers make donations to organisations that cannot be claimed as tax deductions (e.g. purchasing badges or tea towels, buying food and small items from charity-run fetes, buying tickets to a fundraising event or dinner, and sponsorships). The ATO statistics capture pure philanthropic gifts and contributions by individuals to donation deductible organisations.
- e. Some taxpayers do not lodge their tax returns by the due date. The ATO adds new information to its aggregate data set when it is processed. This means that the total tax-deductible gifts in a previously reported year may increase in a subsequent annual report, which includes references to previous years. For instance, the data presented in this paper is based on information contained in individual taxpayers' 2005 tax returns processed by the ATO as at 31 October 2006.
- f. Any information contained in 2005 income tax returns lodged by Australian taxpayers after this date will not be reflected in the 2005 Taxation Statistics publication. Instead, information relating to 2005 tax returns of individuals lodged after 31 October 2006 will be incorporated into, and reflected in, future Taxation Statistics publications. In this paper, we found certain figures have been revised and updated from previous *Taxation Statistics* publications. This is particularly so with the total number of donors, total tax-deductible donations made and donations according to state of residence. This paper

²² Australian Taxation Office, "Updated Compliance Program 2002-03", 13 October 2004, page 5.

indicates the situations where late taxpayer filings have not been included. In all cases the late lodgements do not alter the trends identified.

- g. The analysis of industry classifications and gift deductions should not be confused with taxpayers' occupations. The analysis is solely based on taxpayers who are sole traders. For example, lawyers may be included in:
- salary and wage taxpayers (employed lawyers);
 - sole trader lawyers who operate their own business;
 - lawyers who carry on business as partners in a partnership; or even
 - a company or trust.

Thus, this data should not be applied as if it represents the gift deductions of all taxpayers who might provide legal services, **ONLY** those who are sole trader business taxpayers.

Despite these limitations, the ATO statistics are one of the few places in which donation information is collected on a rigorous basis. All taxpayers are required to make a formal declaration on the front cover of their tax return that the information contained therein is correct. Under the system of self-assessment, the ATO generally treats the tax return lodged by a taxpayer as being correct when lodged.

However, the ATO has a wide-ranging audit program to confirm whether the details disclosed in taxpayers' income tax returns is correct or not. If the taxpayer has made a false or misleading statement or claimed an amount that cannot be substantiated, then the taxpayer is faced with the prospect of fines, penalties and interest charges.

The ATO Taxation Statistics also provide a useful trend as the information collated and published is collected annually on much the same basis. Other surveys are usually snapshots with different questions, methodology and definitions of what is a gift or donation.

However, it is considered the results of this study will prove useful to fundraisers and in the development of fundraising strategies. Knowing where donors come from, and how much taxpayers within certain industries and specific occupations give, can assist DGRs to target fundraising strategies towards these donor groups.

LIST OF REFERENCES

- Australian Taxation Office, "Updated Compliance Program 2004-05", 13 October 2005.
- Australian Taxation Office, *GiftPack*, released in 2006.
- Australian Taxation Office, *Taxation Statistics 2004-05*, released in 17 April 2007.
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- Australian Taxation Office
<http://www.ato.gov.au>
- Australian Valuation Office
<http://www.avo.gov.au>
- The Prime Minister's Community Business Partnership
<http://www.partnerships.gov.au>

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Taxation Statistics 2005											
Table 1: Total and Average Donations (Revised ATO Data)											
Income Years Ending 30 June 1995 to 30 June 2005											
	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
Number of Taxable Taxpayers	7,861,134	8,406,023	8,557,899	8,643,242	8,485,223	8,818,835	8,706,551	8,815,807	8,906,119	8,851,310	9,099,080
Number of Non-Taxable Taxpayers	<u>1,757,876</u>	<u>1,782,590</u>	<u>1,713,234</u>	<u>1,674,343</u>	<u>1,879,508</u>	<u>1,771,009</u>	<u>2,048,894</u>	<u>2,084,780</u>	<u>2,122,804</u>	<u>2,127,590</u>	<u>2,136,915</u>
Total Number of Individual Taxpayers	9,619,010	10,188,613	10,271,133	10,317,585	10,364,731	10,589,844	10,755,445	10,900,587	11,028,923	10,978,900	11,235,995
Taxable income (\$million)	\$236,580	\$264,564	\$273,609	\$294,734	\$309,084	\$326,508	\$350,093	\$362,036	\$377,825	\$394,690	\$447,450
Number of Individual Taxpayers Providing											
Tax-Deductible Donations	3,170,370	3,259,236	3,232,260	3,300,100	3,392,452	3,445,447	3,539,117	3,722,357	3,801,456	3,874,128	4,312,815
Total Tax-Deductible Donations (in \$ millions)	\$495.00	\$539.21	\$564.63	\$610.95	\$685.56	\$738.77	\$862.45	\$919.21	\$988.20	\$1,164.62	\$1,471.94
Percentage Increase	5.10%	8.93%	4.71%	8.20%	12.21%	7.76%	16.74%	6.58%	7.51%	26.70%	26.39%
Percentage of Donors to Total Taxpayers	32.96%	31.99%	31.47%	31.99%	32.73%	32.54%	32.91%	34.15%	34.47%	35.29%	38.38%
Donation as a Percentage of Taxable Income	0.20923%	0.20381%	0.20636%	0.20729%	0.22180%	0.22626%	0.24635%	0.25390%	0.26155%	0.29507%	0.32896%
Average Tax-Deductible Donation	<u>\$156.13</u>	<u>\$165.44</u>	<u>\$174.69</u>	<u>\$185.13</u>	<u>\$202.08</u>	<u>\$214.42</u>	<u>\$243.69</u>	<u>\$246.94</u>	<u>\$259.95</u>	<u>\$300.61</u>	<u>\$341.29</u>

Taxation Statistics 2005
Table 2: Donations by Gender (Sex)
Income Year Ending 30 June 2005

Gender	Total Number of Individual Taxpayers	Taxable Income \$m	Total Tax-Deductible Donations		Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %	Average Tax-Deductible Donation \$	Percentage of National Total %
			no.	\$m				
Male	5,818,905	263,446	2,237,025	876.72	38.44%	0.33279%	\$391.91	59.56%
Female	<u>5,417,090</u>	<u>162,105</u>	<u>2,075,790</u>	<u>595.22</u>	<u>38.32%</u>	<u>0.36718%</u>	<u>\$286.74</u>	<u>40.44%</u>
Total	<u>11,235,995</u>	<u>\$425,552</u>	<u>4,312,815</u>	<u>\$1,471.94</u>	<u>38.38%</u>	<u>0.34589%</u>	<u>\$341.29</u>	<u>100.00%</u>

Taxation Statistics 2005
Table 3: State of Residence
Income Year Ending 30 June 2005

State of Residence	Total Number of Individual Taxpayers	Taxable Income \$million	Total Tax-Deductible Donations		Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %	Average Tax-Deductible Donation \$	Percentage of National Total %
			no.	\$m				
NSW	3,667,910	147,333	1,451,495	623.89	39.57%	0.42346%	\$429.83	42.39%
Victoria	2,801,855	105,689	1,164,360	394.44	41.56%	0.37321%	\$338.76	26.80%
Queensland	2,200,530	77,140	783,205	189.90	35.59%	0.24618%	\$242.47	12.90%
South Australia	853,145	29,844	319,855	86.55	37.49%	0.29001%	\$270.60	5.88%
Western Australia	1,136,830	43,585	377,600	113.47	33.22%	0.26035%	\$300.52	7.71%
Tasmania	261,780	8,620	85,155	20.41	32.53%	0.23677%	\$239.67	1.39%
Northern Territory	99,795	4,030	33,545	7.06	33.61%	0.17519%	\$210.49	0.48%
ACT	206,120	9,379	97,285	35.96	47.20%	0.38343%	\$369.67	2.44%
Other Taxpayers	<u>8,030</u>	<u>87</u>	<u>320</u>	<u>0.24</u>	<u>3.99%</u>	<u>0.27902%</u>	<u>\$757.97</u>	<u>0.02%</u>
Total	<u>11,235,995</u>	<u>\$425.708</u>	<u>4,312,820</u>	<u>\$1,471.94</u>	<u>38.38%</u>	<u>0.34576%</u>	<u>\$341.29</u>	<u>100.00%</u>

Taxation Statistics 2005
Table 4: Income Band
Income Year Ending 30 June 2005

Taxable Income Bands	Total Number of Individual Taxpayers	Taxable Income \$m	Percentage of Total Number of Individual Taxpayers	Total Tax-Deductible Donations		Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %	Average Tax-Deductible Donation \$	Percentage of National Total %
				no.	\$m				
Less than \$10,000	1,752,885	7,056	15.60%	173,875	22.64	9.92%	0.32094%	\$130.24	1.54%
\$10,000 - \$14,999	900,105	10,716	8.01%	222,285	31.37	24.70%	0.29272%	\$141.11	2.13%
\$15,000 - \$19,999	896,275	14,869	7.98%	274,700	42.78	30.65%	0.28774%	\$155.75	2.91%
\$20,000 - \$24,999	904,445	19,248	8.05%	319,675	55.06	35.34%	0.28604%	\$172.23	3.74%
\$25,000 - \$34,999	1,762,605	50,224	15.69%	733,820	137.96	41.63%	0.27468%	\$188.00	9.37%
\$35,000 - \$49,999	2,101,285	84,199	18.70%	992,465	211.66	47.23%	0.25139%	\$213.27	14.38%
\$50,000 - \$99,999	2,434,530	152,818	21.67%	1,308,745	419.42	53.76%	0.27445%	\$320.47	28.49%
\$100,000 - \$499,999	466,130	69,263	4.15%	275,980	309.99	59.21%	0.44756%	\$1,123.24	21.06%
\$500,000 - \$999,999	13,230	8,259	0.12%	8,295	64.49	62.70%	0.78087%	\$7,774.76	4.38%
\$1,000,000 and more	4,510	8,900	0.04%	2,975	176.57	65.96%	1.98389%	\$59,350.59	12.00%
Total	11,236,000	\$425,552	100.00%	4,312,815	\$1,471.94	38.38%	0.34589%	\$341.29	100.00%

Taxation Statistics 2005
Table 5: ANZIC Industry Code (for Sole Trader Taxpayers) and Salary and Wage Earners
Income Year Ending 30 June 2005

ANZSIC Industry Classification	Total Number of Individual Taxpayers	Taxable Income \$m	Total Tax-Deductible Donations		Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %	Average Tax-Deductible Donation \$
			no.	\$m			
Salary and wage earners	6,632,075	213,159	2,545,880	463.95	38.39%	0.21765%	\$182.24
Investment income recipients	1,780,690	84,469	836,645	335.71	46.98%	0.39744%	\$401.26
Primary production	280,390	13,015	72,775	66.08	25.95%	0.50773%	\$908.03
Mining	1,820	84	480	0.16	26.37%	0.18522%	\$324.92
Manufacturing	59,560	1,882	13,845	4.37	23.25%	0.23240%	\$315.98
Electricity, gas and water supply	460	17	125	0.04	27.17%	0.22363%	\$302.23
Construction	185,490	5,883	32,475	6.58	17.51%	0.11191%	\$202.74
Wholesale trade	17,140	577	4,050	3.07	23.63%	0.53206%	\$758.15
Retail trade	80,380	2,272	16,040	5.51	19.96%	0.24245%	\$343.47
Accommodation, cafes & restaurants	12,315	299	2,185	1.41	17.74%	0.47156%	\$644.88
Transport & storage	55,980	1,542	10,880	4.55	19.44%	0.29512%	\$418.38
Communication	16,110	447	3,615	0.78	22.44%	0.17427%	\$215.63
Finance & insurance	30,835	1,723	12,150	14.01	39.40%	0.81279%	\$1,152.95
Property & business services	215,070	9,275	73,225	41.77	34.05%	0.45031%	\$570.41
Education	22,870	730	9,105	3.62	39.81%	0.49542%	\$397.36
Health & community services	68,805	5,478	24,445	22.92	35.53%	0.41832%	\$937.52
Cultural & recreational services	65,840	2,159	21,965	17.87	33.36%	0.82791%	\$813.69
Personal & other services	74,675	1,924	16,850	5.72	22.56%	0.29737%	\$339.56
Subsidiary return income from P & T	1,559,105	75,307	581,115	450.42	37.27%	0.59812%	\$775.10
Industry not stated	<u>76,380</u>	<u>5,306</u>	<u>34,970</u>	<u>23.39</u>	<u>45.78%</u>	<u>0.44083%</u>	<u>\$668.89</u>
Total	<u>11,235,990</u>	<u>\$425,552</u>	<u>4,312,820</u>	<u>\$1,471.94</u>	<u>38.38%</u>	<u>0.34589%</u>	<u>\$341.29</u>